

2015/16



MOGALE CITY LOCAL MUNICIPALITY

**2015/16 ANNUAL MUNICIPAL
REPORT**



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Chapter 1

CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD

FOREWORD

FOREWORD

Vision

The year 2015-2016 brought to a close a political term of office that was generally a resounding success in the attempts of the leadership of Mogale City Local Municipality to translate the 2011 ANC Local Government Manifesto, which it adopted as its Programme of Action for the 2011-2016 political term of office, into tangibles that the people of the city would remain eternally grateful for. The manifesto informed the IDP 2011-2016 and the steady hand of the leadership in implementing the plan culminated in a successive clean audit in the 2014-2015 financial year, a feat which the leadership is determined to accomplish even in the 2015-2016 financial year.

Key Policy Developments

The report will show that the **Anti-Corruption Policy** was developed to curb corruption, extortion, maladministration etc. in the municipality. Efforts started to implement the policy started with establishment of a Corporate Ethics Division and roll-out of Ethics Awareness within the institution.

We have taken steps to review and refine the **Supply Chain Management Policy** of the municipality and ensured that all senior staff in the Supply Chain Management Division attended the requisite training with regard to minimum competency levels as prescribed by National Treasury.

The report will also demonstrate how the municipality has taken into cognisance the new Spatial and Land Use Management Act of 2015 which will be a single land management system that will guide spatial development in the city.

Key Service Delivery Improvements

The municipality has started with the development of a programme to stimulate economic activity in Lanseria Airport City as part of the Gauteng Provincial Government’s Western Corridor Development. Substantial investment has already been made by the private sector in this node.

The development of a Tourism Atlas to attract investment and package tourism opportunities for purposes of creating jobs and develop new entrepreneurs in the sector is also underway.

Investment in services has always slanted towards the poorest of the poor, e.g. procurement of 46 skip containers to cater for un-serviced areas which are informal settlements. The municipality also finds creative ways for job creation through registration of waste transporters who assist with refuse collection in development complexes.

Public Participation

The municipality has created working relationships with the local media houses and ensured that all statutory and non-statutory meetings like Mayoral Roadshows to collect community needs for IDPs and to present draft budgets were broadcast live on local radios as well as the ubiquitous social media platforms.

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Future Actions

The report will show that a substantial investment programme will be rolled out to accommodate the rural nodes of the city. Lanseria Airport was given an international license and that provides vast opportunities for leisure and commercial investments linked to the new and expanded passenger terminal. This also opens opportunities for establishment of an ICT/Technology Academy, Pan African Parliament as well as social housing, industrial and retail facilities. The development, being

closer in proximity to Muldersdrift, will simultaneously spread benefits to Hekpoort thus help us bring our rural communities closer to economic centres.

Agreements and Partnerships

The municipality will continue to work with the National Department of Energy to rollout smart metering in the city. We will also be implementing the Waste to Energy project which is a R5 billion off-the-grid electricity generation and distribution effort which is done in collaboration with an independent power producer and the National Energy Regulator of South Africa (NERSA).

Conclusion

The municipality will continue to work with sister municipalities to establish a metropolitan municipality in the West Rand by 2021 as envisaged by the Gauteng provincial government which seeks to establish a single metropolitan governance system for the Gauteng City Region.

Signed by: _____



Cllr Keketso Calvin Seerane
Executive Mayor

T1.0.1

Chapter 1

COMPONENT B: EXECUTIVE SUMMARY

1.1 MUNICIPAL MANAGER'S OVERVIEW 2015/16 Financial Year

1.1. MUNICIPAL MANAGER'S OVERVIEW 2015/16 FINANCIAL YEAR

Mogale City Local Municipality accomplished another eventful and successful fiscal year in 2015/2016. An intensified spirit of quality service delivery was carried from 2014/2015 financial year based on an Unqualified Audit Opinion without any material findings (Clean Audit) into the period under review.

The Municipality made significant strides during the year under review in improving the effectiveness of governance structures on matters pertaining to risk management, internal controls, compliance and the promotion of ethical values.

The municipality ensured alignment of its planning through the Revised Integrated Development Plan 2015/2016, Reviewed Strategic Plan 2013-2018 and the Service Delivery Budget Implementation Plan 2015/2016 to streamline requisite performance and service delivery.

The municipality rehabilitated its roads network and ensured that its peri-urban areas were socio-economically linked to their urban neighbours. Work on the critical precinct plans for all our peri-urban areas started earnestly and this will result in tangible economic benefits for the peri-urban communities.

The municipality remains heavily indebted to its employees' sterling performance in spite of the moratorium on filling of vacant positions which was related to the expected Demarcation of the West Rand municipalities into one Metropolitan City. The moratorium continued long after such a proposal was not approved by the Demarcation Board. The municipal budget expenditure on salaries decreased from 29 % to 25 % of Operating Expenditure Budget, (which is way below the National Treasury guideline of

Chapter 1

33 % maximum. The municipality continued to invest substantially in human capital development. The City continued to assist other municipalities with Human Resource Capacity on a continuous basis in critical areas such as legal, procurement, internal auditing, asset management, public safety, performance management, risk and financial management.

In line with the Government's objective to alleviate poverty and the Back to Basics programme, the municipality adopted an Indigent Management Policy through which it provided 18 528 households with basic services including six kilolitres of water, 50 kw/h of electricity, sanitation services, refuse removal and indigent burial assistance.

The municipality embarked upon addressing the serious matter of relocating the Tudor Shaft and Soul City Informal Residence to habitable land in collaboration with the National Department of Human Settlement, through the Housing Development Agency.

The municipality's collaboration with the national and provincial government departments and state agencies resulted in accelerated delivery on the human settlement front and other portfolios. All racial groups have benefited from government subsidized human settlements as well as other social development benefits offered by government. To this end, the Chief Mogale in Kagiso remains a scintillating example of a racially integrated township in the Post-Apartheid era.

The municipality embarked upon programmes that support impending alternative renewable energy projects such as the Blue Waste to Energy and Feriaville Solar Farm. Positive Records of Decision (RODs) for both projects were awarded by the relevant Provincial Department. It is expected that the National Energy Regulator of South Africa (NERSA) shall grant a license for these projects in due course.

Service delivery in the rural/peri urban areas remained a priority in the year under review with focus on roads, water and sanitation, as well as acquisition of suitable land for human settlements.

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To ensure financial viability, during the year under review, the municipality achieved 96% revenue collection. Similarly, the municipality continued to implement the revenue enhancement strategy and strict credit control measures. The performance expenditure on the Capital Budget amounted to 92 %. Through prudent financial management the expenditure of the municipality was controlled through implementation of cost containment measures. The expenditure on National Government Grants received was on average 89 % which consisted of the Municipal Infrastructure Grant (88 %); Neighbourhood Development Programme Grant (100 %), Department of Energy (100 %), provincial government grants (84 %), public contributions and donations (71 %), West Rand District Municipality grant (100 %) and own Council funding (98 %). It is worth noting that the difference of less than 8 % of unspent funds would be spent in the subsequent year as the rest of it was already committed as projects had already started on various sites.

The municipality would like to thank its citizens for their feedback and constant engagement. Citizen participation and ownership of our programmes are the hallmarks of the municipality's service delivery *ethos*. The municipality thanks its employees for the hard work and commitment in the year under review. We extend our gratitude to our sister municipalities in the West Rand District as well as the Provincial and National Spheres of Government for their unqualified support.

Le kamoso!



DAN MASHITISHO
MUNICIPAL MANAGER

1.1.1

Chapter 1

1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

Mogale City Local Municipality (MCLM) is a municipal area that incorporates previously racial divided black and white municipal authorities of Kagiso, Munsieville and Krugersdorp. MCLM otherwise known as the City of Human Origin is home to the Cradle of Humankind World Heritage Site. The site, which is popular known for the Sterkfontein Caves.

MCLM, Randfontein Local Municipality, Westonaria Local Municipality and Merafong City are constituent local municipalities of the West Rand District Municipality. MCLM covers an area of approximately 110 000 hectares, with Krugersdorp as the major CBD. It is accessible from all the major centres of Gauteng and North West Province, namely Johannesburg, Pretoria, Midrand, Hartebeespoort dam, Randfontein, and Soweto, to name but a few places.

There are 34 wards in the entire MCLM, including additional two wards established with the re-demarcation for the 2011 Municipal Elections. The one ward used to be a District Management Area, DMA, Cradle of Humankind, and World Heritage Site. The other ward is as a result of division of the previously vast ward 3.

The City has 362 422* number of persons residing in the municipality, and 117 737* number of households in the area. The city comprises of both formal and informal households.

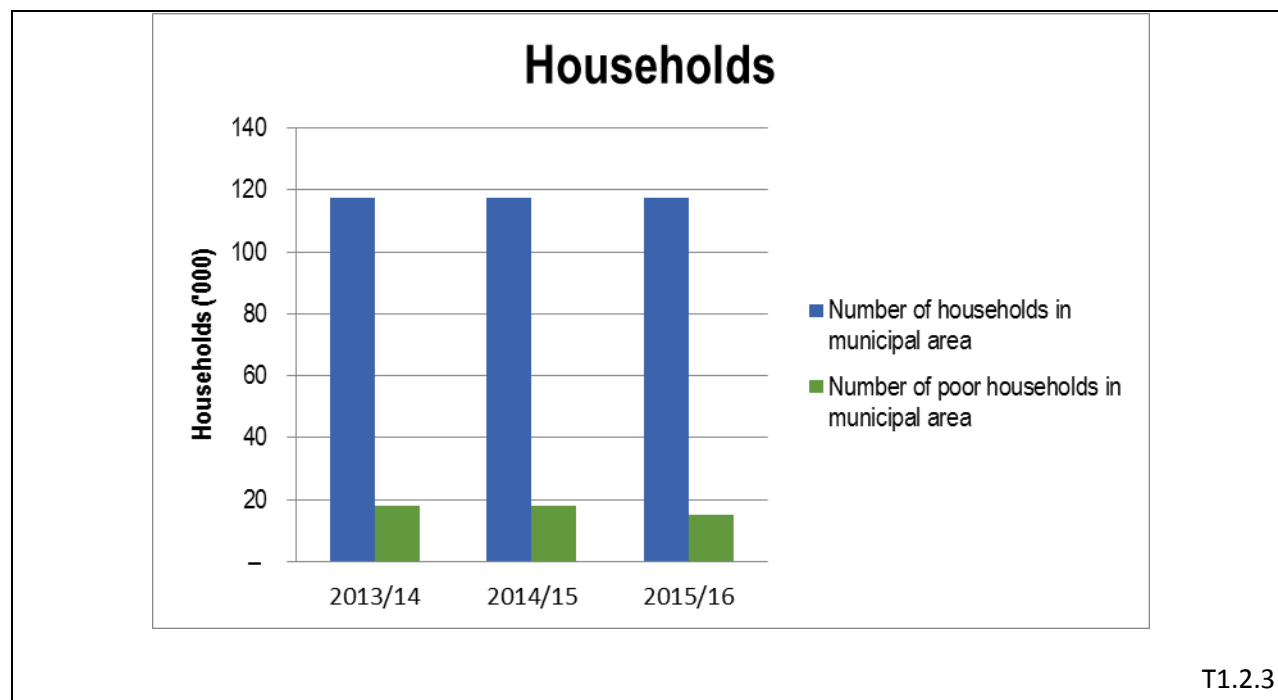
Source: Census 2011 data

T 1.2.1

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Population Details			
	Population '000		
Age	2015/16		
	Male	Female	Grand Total
00-04	16 658	16 169	32 827
05-09	14 106	13 708	27 814
10-14	12 696	13 332	26 028
15-19	13 413	15 281	28 694
20-24	17 681	16 666	34 347
25-29	19 224	18 278	37 502
30-34	15 706	14 737	30 443
35-39	18 381	14 921	33 302
40-44	14 819	13 704	28 523
45-49	14 908	13 891	28 799
50-54	11 607	11 287	22 894
55-59	8 629	8 985	17 614
60-64	6 658	6 653	13 310
65-69	5 686	3 728	9 414
70+	5 068	7 285	12 354
Grand Total	195 238	188 626	383 864
StatsSA Community Survey 2016			T1.2.2

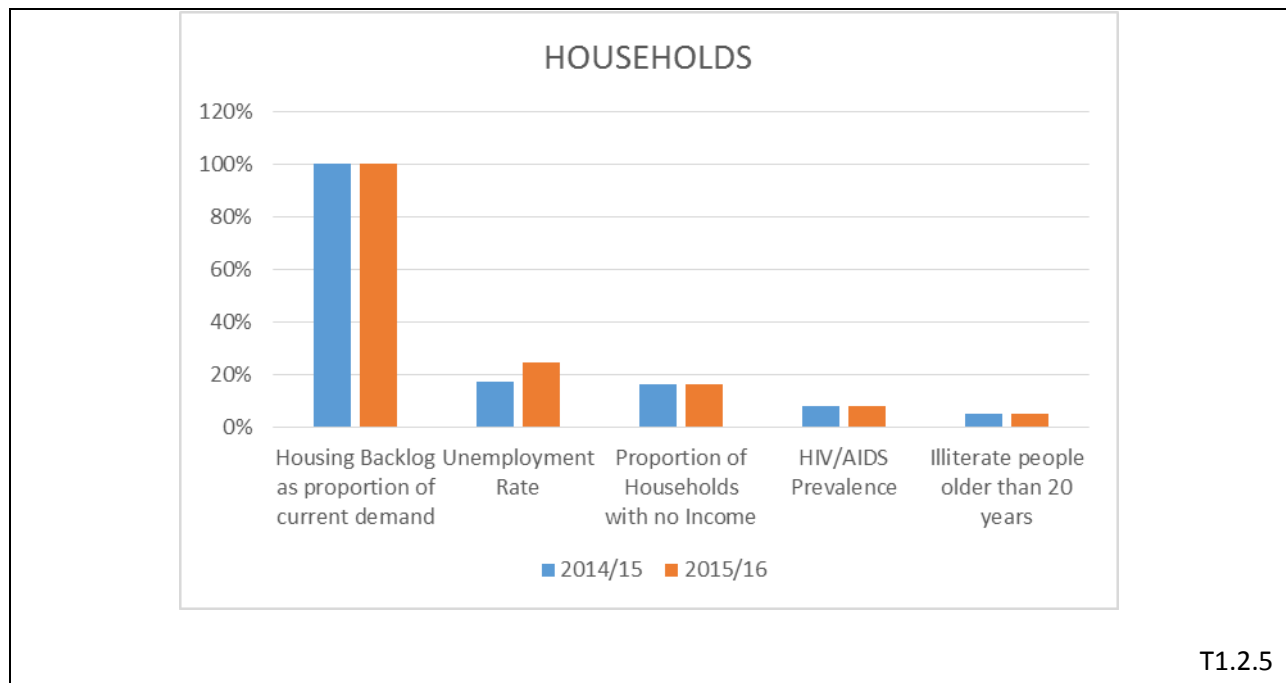
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Socio Economic Status (as a %)					
Year	Housing Backlog as proportion of current demand	Unemployment Rate	Proportion of Households with no Income	HIV/AIDS Prevalence	Illiterate people older than 20 years
2013/14	100%	17%	16%	8%	5%
2014/15	100%	24.6%	16%	8%	5%
2015/16	100%	24.6	16%	8%	5%

T1.2.4

Chapter 1



Chapter 1

Overview of Neighbourhoods within Mogale City Local Municipality		
Settlement Type	Households	Population
Towns		
Krugersdorp	23 262	74 799
Sub-Total	23 262	74 799
Townships		
Kagiso	26 472	113 240
Munsieville	5 097	33 048
Rietvallei 1, 2 and 3	15 915	78 164
Sub-Total	47 484	224 452
Rural settlements		
Muldersdrift	8 817	29 445
Tarlton	2 226	15 945
Magaliesburg	2 589	10 302
Hekpoort	1 944	7 479
Sub-Total	15 576	63 171
Informal settlements		
Hekpoort-ward 32		
Hekpoort 74 (Supply)	45	149
Hartebeesfontien 10 (Dula Park)	35	116
Hartebeesfontien 185 (Radikgomo)	38	79
Hekpoort Central (Panorama)	41	126
Hekpoort 34 (Mpandlane)	50	144
Hekpoort Central (Pokolo)	13	49
Hekpoort plot 10 (Indingo)	65	184
Manharaand 393 JQ (Tswelopele)	84	293
Hekpoort (Toinyane)	45	140
Weltevereden Park (Dizozong)Festive	54	105
Sterkfontein 173 (Dairy)	87	219
Roelf Nursery	90	153
Remainder of Ptn 1 Volgezang	63	177
Total	710	1934
Magaliesburg-ward 31		
plot 116 Orient Butchery	20	77
Camel Estate	36	113

Chapter 1

Overview of Neighbourhoods within Mogale City Local Municipality		
Portion 80 Doornkloof	250	293
plot 117 Orient Butchery	15	89
Blaaubank Res (Ga-Mohale)	205	945
Vaalbank -Ptn 82 (Buya Africa + Rietpoort)	64	244
Total	590	1761
Settlement Type	Households	Population
Informal settlements		
Hartely 506	123	525
Newthorndale	29	40
Blaauwbank 15	10	33
Total	162	598
MULDERSDRIFT 1 WARD 23		
Plot 31 Lindley	20	63
Plot 84 Lindley (Joe Slovo)	110	335
Plot 85 Lindley (Maplankeng)	10	45
Plot 62 Driefontein (Sekolong)	18	47
Plot 81 Elandsdrift (Magodola)	111	273
Plot 71 &72 Driefontein (Avianto)	16	60
Plot 60 Heunigklip	45	135
Plot 39 Nooitgedacht	23	70
Plot 69 Rietfontien (Avianto)	60	188
Rietfontein 189 IQ Ptn 81 M/drift	112	452
Plot O Van Wyk Restant	50	140
Plot 5 Zwartkop	13	34
Plot 54 &55 Zwartkop	17	63
Plot 163 Rietfontein	11	32
Plot 525 Zwartkop	20	68
Plot 78 (Ethembalethu)	35	144
Plot 17 Swartkop	35	144
Total	706	2293
MULDERSDRIFT 2 WARD 28 (NOOITGEDACHT)		
Plot 4 Rietfontein	1 540	1 426
Plot 8 Van Wyk Restant	39	68
Plot 21 Rietvlei	34	95
Plot 33 Van Wyk Restant	20	43
Plot 34 Rietvlei	35	92
Plot 38 Nooitgedacht	55	98

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Overview of Neighbourhoods within Mogale City Local Municipality		
Nooitgedacht 534 IQ Ptn 42/Re	25	62
Rietfontein 189 IQ Ptn 42	25	86
Plot 63 Lindley	43	91
Plot 77 Rietvlei	48	72
Plot 79 Rietvlei	93	231
Plot 67 Vlakplaats	126	272
Portion 77 Nooitgedacht	24	64
Plot 22 Vlakplaats	43	96
Plot 56 Eldorado	Outstanding	Outstanding
Plot 83 & 90 Rietfontein	310	780
Nooitgedacht 534 IQ Ptn 89	232	632
Total	2692	4208
Plot 189A Rietvlei	49	121
Total	2741	4329
Settlement Type	Households	Population
Informal settlements		
Plot 195 Rietfontein	24	81
Plot 53 & 54 Rietfontein	29	55
Plot 63 Rietvlei (Maplankeng)	43	68
Plot 69 Rietvlei	39	57
Plot 140 Rietfontein (Ha- Nduma)	90	105
Plot 163 Rietfontein	30	72
Total	255	438
TARLTON -WARD 30		
Vlaakplaats 147 IQ (Smoke Down)	581	1 005
Delarey 164 IQ Ptn 3 (Orient Hills)	783	2 800
Vlaakplaats 160 IQ Ptn 311 (Matshelapad)	1 442	2 400
Vlaakplaats 160 Ptn 6 (Seroba)	773	1 458
Brickvale 161 IQ (Norman 1&2)	755	2 100
Plot 5 Vlaakplaats 160	215	540
Vlakdrift 163 Ptn 4 (Thabong Comm)	75	250
Vlaakplaats 173 (De Klerk)	94	180
Ptn 8 Kromdraai 520 JQ (Gool Hof)		
Ptn 10 Kromdraai 520 JQ		
Ptn 26 Kromdraai 520 JQ		
Ptn 26 Kromdraai 520 JQ		

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Overview of Neighbourhoods within Mogale City Local Municipality		
Ptn 32 Kromdraai 520 JQ (Mavendeng	*Still in process of validating the number of households and population for the Cradle of Humankind Heritage site	
Ptn 58 Kromdraai 520 JQ (Mochineng)		
Ptn 8 Nooitgedacht 534 JQ		
Ptn 38 Nooitgedacht 534 JQ (Bafulatau)		
Ptn 89 Nooitgedacht 534 JQ		
Ptn 7 Elandsdrift 527 JQ		
Plot 39 Lammermoor A/H		
Ptn Rhenosterspruit 495 JQ		
Ptn 69 Swartkop 172 IQ		
Ptn 173 Sterkfontein 173 IQ (Dairy)		
Ptn 52 Tweefontein 523 JQ		
Ptn 55 Swartkrans 172 IQ		
Plot 211 Vlakplaats 160 IQ Dairy	33	72
After the new demarcation Ruimsig informnal Settlement is still outstanding		
Total	4751	10805
URBAN INFORMAL SETTLEMENTS		
KAGISO -WARD 14		
Tudor Shaft	430	1 102
Soul City Ext 1,2, & 3	907	3 010
Total	1337	4112
Settlement Type	Households	Population
Informal settlements		
CBD WEST		
WESTVILLAGE-WARD 26		
Makhulu-Gama	769	2 430
BBR	99	330
OK	32	95
Skoonplaas	202	570
Swimming Pool	86	154
Khokha Moya	57	88
Luipaardsvlei	24	108
Villa Gloria	72	195
West Rand Railway	6	14
Total	1347	3984
MUNSIEVILLE-WARD 25		
Pongoville	1 251	2 058

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Overview of Neighbourhoods within Mogale City Local Municipality		
Sub-Total		
Total		
T1.2.6		

Natural Resources	
Major Natural Resource	Relevance to Community
NONE	
T1.2.7	

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COMMENT ON BACKGROUND DATA:

The majority of the population of Mogale City belong to the age group 20-29 with a total of 80 550 individuals followed by the 30-39 year olds with a total of 61 323, while the minority of the population belong to the age group 70+ sitting at 9 170 individuals. Approximately 15.5% households in the Municipal area are poor. The unemployment rate of the area is sitting at 24.6% which has significantly decreased when compared to the 33.6% of 2001. With that said this necessitates that the Municipality offers support to these households. Mogale City Local Municipality adopted the Indigent Management Policy that seeks to facilitate the provision of basic municipal services to these poor households. The number of illiterate people older than 20 years has also drastically decreased from 9.8% in 2001 to 4.7% in 2011.

The total number of informal settlements within the Municipal area has increased from 91 settlements during the 2012/13 financial year to 92 settlements during the year under review, which house approximately 13 015 households and 31 213 occupants. These households have, in terms of the Constitution, the right to basic services, and the municipality ensures the provision of these services by tankering water on a daily basis, providing Communal Public Taps, VIP toilets, Skip Bins as well as High Mast lights.

The Municipality has with the re-demarcation process for the 2011 Municipal Elections attained the District Management Area (DMA). As per table T1.2.6: Overview of Neighbourhoods within Mogale City, Informal Settlements within the DMA have been identified, however, the Municipality has not as yet established the total number of households and occupants in the said area, nonetheless, surveys will be conducted to ensure that the Municipality retains an Informal Settlements Register that is as complete and comprehensive as possible. This has affected the total number of settlements and occupants as enumerated on the above stated table.

T1.2.8

1.3 SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

The South African Constitution states that municipalities have the responsibility to ensure that all citizens are provided with services to satisfy their basic needs. Municipalities must ensure that people residing within their areas of jurisdiction have at least the basic services they require. These services have a direct and immediate effect on the quality of the lives of the people in that community.

Mogale City Local Municipality ensures the provision of basic services by utilizing our own resources and through the use of service providers. The majority of the basic services are provided by the Department Infrastructure Services. The main function of the Infrastructure Services Department is to ensure the delivery of all the basic service relevant to the municipality.

The major challenge Mogale City is faced with, in terms of the provision of basic services and the attainment of universal access to basic services is that certain households reside on privately owned land while others reside in areas that have not been proclaimed for human settlement. Despite, the challenge above, the municipality utilizes the Municipal Infrastructure Grant (MIG), other forms of grants as well as own funds to address the backlog and extend the provision of basic services.

Access to Water

MCLM universal access to water target has been achieved to a large extent. As indicated above, the majority of households with no access to piped water reside on privately owned land or land that has not been proclaimed for Human Settlement. MCLM has dedicated resources to assist these households by providing stand pipes along settlements and in other cases provide tankered water. 93% of households within the Mogale City Municipal area have access to water which is above the minimum service delivery levels. The remaining 7% receives water through communal stand pipes and water is tankered on a daily basis.

Access to sanitation

MCLM aims to eradicate all sanitation backlogs. According to Census 2011 there are approximately 7 000 households which account for 7% of the total households that need to be provided with sanitation services that meet the minimum basic service levels. These households are mainly in the rural areas and informal settlements. The Municipality ensures that these households are provided with VIP toilets to cater for their sanitation needs.

Chapter 1

Waste Management

The Municipality endeavors to ensure that solid waste is collected at least once a week and provides households with 240L bins. Households that reside in Informal Settlements are provided with skip bins to dispose of their refuse. The Municipality also ensures the clearance of illegal dumping sites and the management of landfill sites within the Municipal area.

Access to electricity

The availability of electricity and backlogs remain confined to Informal Settlements and rural areas of MCLM. The provision of electricity within the municipal area is done by both the municipality and ESKOM. The electrification programmes of the municipality has focused on providing illumination through high mast lights in informal settlements. The Municipality also ensures the maintenance of electrical infrastructure, which in turn ensure a firm supply of the required electricity.

Eradication of informal settlements

Mogale City Local Municipality is not a housing authority, however, the municipality collaborates with the Gauteng Department of Human Settlements in ensuring that houses are provided in the Municipality area. The responsibility of the municipality is to identify and acquire the land that can be transformed into townships and also ensure that the necessary studies are completed and applications for township establishment are processed.

In-migration and farm eviction remains the biggest challenge in MCLM. Based on the Municipal Informal Settlement Register there are currently 92 informal settlements housing approximately 13 015 households and about 31 213 occupants. The top 3 large settlements being Plot 4 Rietfontein accommodating approximately 1 540 households, Vlakplaats 160 IQ Ptn 311 commonly known as Matshelapata accommodating around 1 442 households and Pangoville accommodating approximately 1 005 households. MCLM has assisted destitute families who have been evicted from farming areas through the provision of emergency site and services.

The concern of poverty is one that affects South Africans to a great extent. Approximately 15.5% of households within the municipal area have no income (Census 2011). The Municipality has made provision by adopting the Indigent Management Policy as a way to assist these households to at least receive the following basic services. Qualifying households receive the following benefits:-

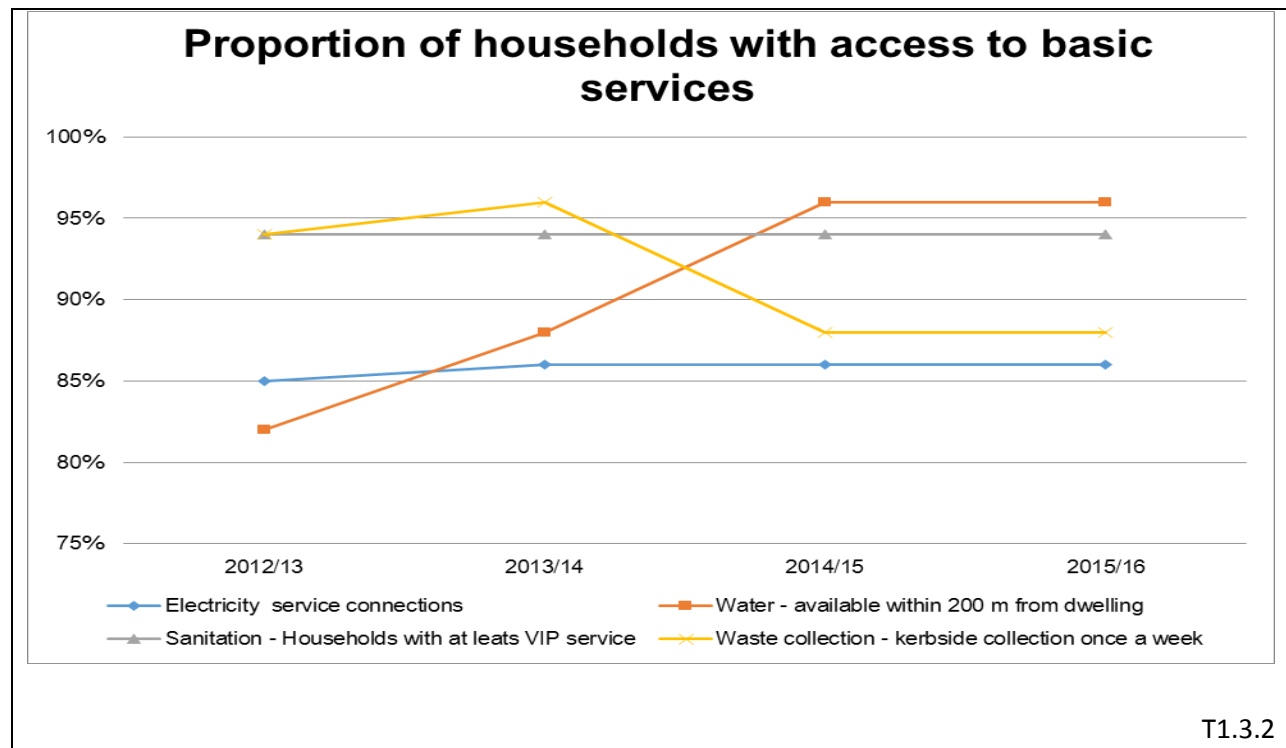
- 50 kw/h electricity per month
- 6 Kl free basic water per month
- Free refuse removal
- Free basic sanitation
- Free burial for qualifying households
- Exemption from the payment of rates and taxes

MCLM will continue to identify and implement projects that are aimed at improving the lives of people who reside within the Municipality's area of jurisdiction. Concerted efforts will continue to be exerted

Chapter 1

by the Departments that are responsible for service delivery to ensure that the Universal Access targets are met. Households that are currently living below the poverty line will continue to be supported through the Indigent Management Programme.

T 1.3.1



COMMENT ON ACCESS TO BASIC SERVICES:

Observing the graph, one must clarify that statistics of informal settlement households impact on the level of services provided as the current status does not allow for provisioning of formal basic infrastructure services

T1.3.3

Chapter 1

1.4 FINANCIAL HEALTH OVERVIEW

INTRODUCTION

Mogale City achieved R 2.596 billion or 104% compared to R 2.504 billion budgeted (including capital grants), and R 2.607 billion was expended compared to R 2.612 billion in the adjustment budget, in other words we expended 99,8% of the budget. Main tariffs achieved R1.386 or 102% of the budgeted figure (R 1.353 billion), this rate is calculated using the billed income as stated on the Statement of Financial Performance. Property rates achieved R 438 million or 104% of the adjusted budgeted amount (R 421 million); on bulk purchases 95% (R 808 million) of the budgeted amount (R 848 million) was spent, this compared to the previous year comes to a 15,0% year on year increase.

T.1.4.1

Financial Overview: 2015/16			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	415 877	446 147	424 740
Taxes, Levies and tariffs	1 771 877	1 773 445	1 823 764
Other	202 923	284 180	348 449
Sub Total	2 390 677	2 503 772	2 596 952
Less: Expenditure	2 593 075	2 612 196	2 606 893
Net Total*	(202 397)	(108 423)	(9 941)
* Note: surplus/(deficit)			T 1.4.2

Operating Ratios	
Detail	%
Employee Cost	23.66%
Repairs & Maintenance	3.15%
Finance Charges & Impairment	2.82%
	T 1.4.3

Chapter 1

COMMENT ON OPERATING RATIOS:

Employee costs: the proportion of this cost item as a percentage of total revenue has gone from 24, 6% in the 2014/15 financial year to 23, 6% in the current year, it is positive improvement as it also below the three months average, and the lower percentage indicates that less proportion of revenue is being spent of employee costs

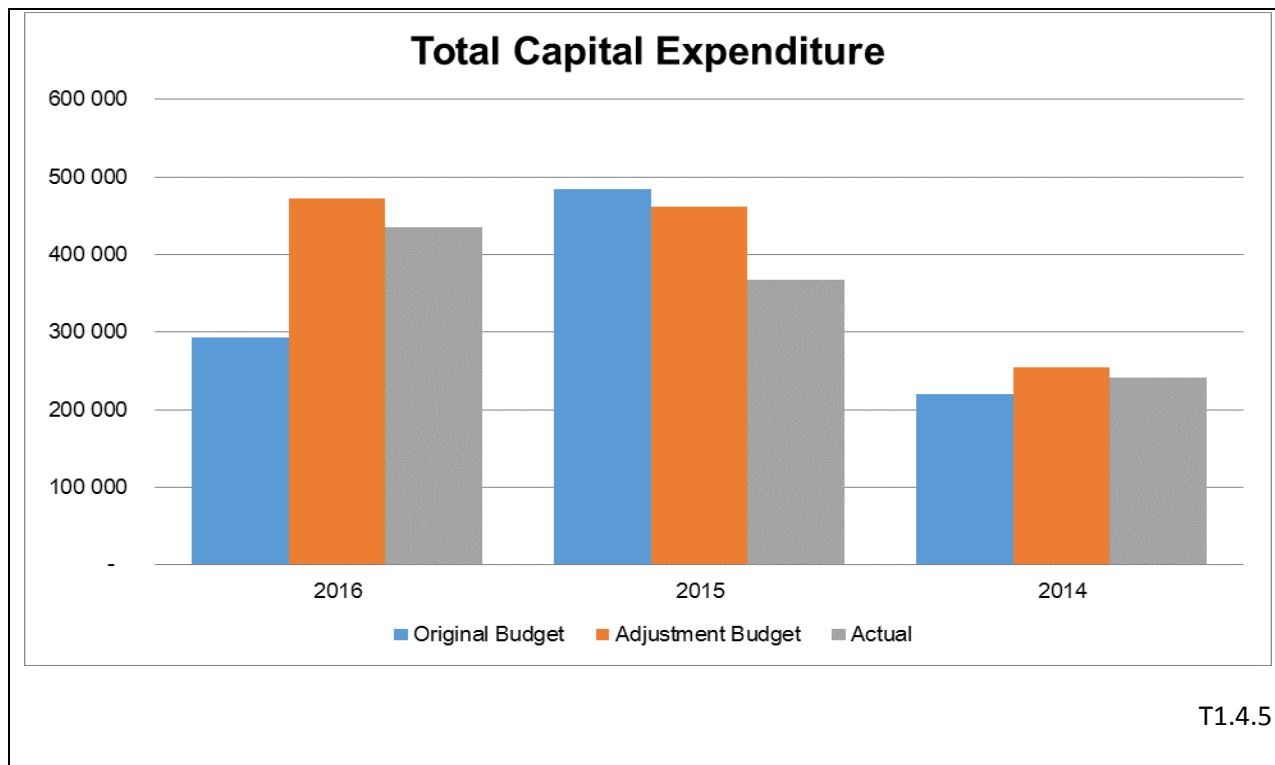
Repairs & Maintenance: There is a slight improvement on expenditure on repairs and maintenance, however it is below the three year moving average, any percentage below this mark still needs improvement despite the increase in proportion as compared with the previous year.

Capital Charges to operating expenditure: there is a slight decrease in the percentage of capital charges and also below the three months average. A closer look at the ratio reveals a decrease in the finance costs from the previous financial year as compared to the current year. This is a function of acceleration in capital redemption, this with the passage of time result into lower interest payments.

T1.4.3

Total Capital Expenditure: from 2016 to 2014			
			R'000
Detail	2016	2015	2014
Original Budget	293 360	483 996	220 581
Adjustment Budget	472 288	461 909	253 812
Actual	434 891	366 939	241 823
T 1.4.4			

Chapter 1



Chapter 1

COMMENT ON CAPITAL EXPENDITURE:

For the 2015/2016 Financial Year, the original capital budget was R293 million, the adjustment budget was increased by 38% to R472 million. The expenditure for the year amounted to R434 million, this amounts to 92% of the approved adjustment budget.

T 1.4.5.1

Chapter 1

1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

Organizational Development section deals with the following:

1. Organisational Design (OD)
2. Job Evaluation
3. Individual Performance Management
4. Change Management
5. Identification of OD Interventions required (e.g. succession management, etc.)
6. Employment Equity
7. Coordination of Gender Equity Youth and Disability Programme Implementation and Reporting
8. Organisational Culture

T1.5.1

Chapter 1

1.6 AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT 2015/16

Note: The Constitution S188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA section 45 states that the results of performance measurement... must be audited annually by the Auditor-General.

The audit opinion was issued with matters of emphasis and legislative compliance issues as outlined in the report of the Auditor General of South Africa included in the annual report.

No material findings were raised on the usefulness and reliability of the reported performance information for the selected development priorities.

The reported information on selected development priorities was found to be useful and reliable in all material aspects because all misstatements were corrected on the 2015/16 Annual Performance report.

Audit Action plans were yet again developed based on the findings raised by AG, these were continuously monitored through the Operation Clean Audit Committee meetings, which take place twice a month. These meetings give the Municipality an opportunity to monitor the progress that has been made on addressing issues raised by the Auditor-General as well as preparation for the upcoming audit process. The Municipality has regressed from unqualified audit status (clean audit) to unqualified audit opinion. Due to current audit status as per AG report, the municipality is in the process of engaging with various stakeholders to ensure that compliance and regulations are adhered to in order to change the current status.

T1.6.1

Chapter 1

1.7 STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise 4 th quarter Report for previous financial year	
4	Submit draft 2015/16 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General.	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General assesses draft Annual Report including consolidated Annual Financial Statements and Performance data	September - October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	December
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input.	January
		T1.7.1

COMMENT ON THE ANNUAL REPORT PROCESS:

The 2015/16 Annual Report was compiled in accordance with the requirements of Section 121 of the Municipal Finance Management Act 56 of 2003 and Section 46 Municipal System Act 32 of 2000. The purpose of this Report is:

- To provide feedback on activities of the Municipality;
- To provide a report on performance in service delivery and budget implementation for the financial year, and
- To promote accountability to the community for the decisions made from July 2015 until June 2016.

This Annual Report has been developed according to the provision of Circular No.63 of the Municipal Finance Management Act which indicates that real transparency and accountability can only be achieved where there is a clear link between the strategic objectives agreed with the community, the IDP, the Budget, SDBIP, in year reports, Annual Financial Statements, Annual Performance Report and the Annual Report.

Alignment between the IDP Budget and Performance Management

Chapter 5 of the Municipal Systems Act provides for the adoption of the IDP which set out the objectives and development goals of the municipality. It is therefore imperative that municipal council approve the budget in order to fund what the IDP as the plan is set to achieve. Furthermore the Executive Mayor needs to approve the SDBIP as per Section 53 of the MFMA as the monitoring tool for the implementation of IDP according the approved Budget. The municipality is liable to present quarterly reporting on SDBIP, In-year budget reports, and Mid-Year performance review reports to inform Budget adjustments. The annual performance report and annual financial statements were submitted to the Auditor General whereby the audit report has been issued and incorporated into the Annual Report.

The annual report is submitted to MPAC for oversight and simultaneously publicised for public comments after the Council has adopted the MPAC Oversight report, the Municipality will place the Annual Report on the website for transparency. This process will surely improve accountability by the executive to non-executive and would deal with issues raised by the Auditor General and act on the recommendations thereof

This annual report seeks to provide a detailed record of the municipality's performance according to the set objectives in the Strategic plan, implemented through the IDP Process and monitored in accordance with the legislated reports.

Chapter 1

Timeframes

MCLM compiled the 2015/16 Draft Annual Report and submitted to the Auditor General by end August 2016 as per the provisions of Circular 63 of MFMA. The Annual Performance Report and Annual Financial Statements were submitted to Auditor General by 31 August 2016.

T1.7.1.1

Chapter 2

CHAPTER 2 –GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO GOVERNANCE

Governance is the process of decision-making and the process by which decisions are implemented. An analysis of governance focuses on the formal and informal actors involved in decision-making and implementing the decisions made and the formal and informal structures that have been set in place to arrive at and implement the decision. Governance in the public sector needs to take into account legal and constitutional accountability and responsibilities

Mogale City Local Municipality was established in terms of a Section 12 Notice of the Municipal Structures Act of 1998, the Municipality is a Category B Municipality which operates within the Mayoral Executive System combined with the Participatory Ward System. Governance at MCLM is composed of both the Political and Administrative Governance which ensures that governance involves the community and that all citizens within the Municipal Area are represented in decision making. The Political leadership of the Municipality exercise their executive and legislative powers and functions to govern the affairs of the Municipality. Administration is responsible for Corporate Governance as prescribed by various legislative frameworks.

Mogale City values public accountability and participation as the method through which it interacts and communicates with local communities by way of holding community meetings, Imbizo's and the process of ward committees dealing with the issues within the wards. Corporate governance looks at issues of transparency and accountability where the Municipality outlines its top risks, the supply chain management process as well as how the Municipality deals with fraud and corruption issues. Together these imperative aspects ensure that all processes of the Municipality are properly functioning and that communities receive quality services.

T2.0.1

Chapter 2

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

Note: MFMA section 52 (a): The Mayor must provide general political guidance over the fiscal and financial affairs of the municipality

Mogale City Local Municipality was established in terms of Section 12 Notices of the Local Government Municipal Structures Act of 1998. In terms of the Section 12 Notice, the Municipality is the Category B Municipality which operates within the Mayoral Executive System combined with the Participatory Ward System. Governance in Mogale City Local Municipality is composed of both the Political and Administrative Governance.

In terms of Chapter 7, section 151(2) of the Constitution of the Republic of South Africa, the legislative and executive functions of a municipality are vested within its Municipal Council. The Political leadership of the Municipality exercise their executive and legislative powers and functions to govern the affairs of the Municipality. The legislative function of the Council is vested within the full Council with the Speaker as its Chairperson. The passing of by-laws, policies on functions remains the responsibility of Council except where delegations have been made. The Executive Mayor has overarching strategic and political responsibility for Mogale City and represents the Municipality at ceremonial functions. His role is to provide political leadership and to drive the transformation and service delivery programme of the Municipality, by providing the vision and strategy to realize this programme in an effective and efficient manner and for the Municipality to meet its constitutional mandate and obligation. He receives various reports from the different Portfolio Committees which are discussed at the Mayoral Committee and he presents these along with recommendations to Council. The Speaker is the Chairperson of the Council.

The Speaker presides over Council meetings ensuring that meetings are held regularly, maintaining order during Council meetings and that the rules and regulations of the meeting are adhered to. The Speaker also oversees the effective functioning of the Council's Committee System. One of the legislated functions of the Speaker is to promote good conduct among elected Councillors through application of the Code of Conduct. The Speaker has been tasked with determining and arranging training for Councillors, in order to develop the City's political governance capacity and improve the skills of individual Councillors. The Chief Whip is responsible for building and maintaining relationships between all the parties in Council. It is also the role of the Chief Whip to make sure that portfolio committees run smoothly, and that Councillors are allocated to particular committees. In consultation with the Speaker the Chief Whip decides, how debates, questions and motions, will

Chapter 2

take place. The Municipality has established Section 80 Portfolio Committees, which are headed by 10 MMC's to assist Council with its oversight function.

The following committees have been established:

- (a) **Corporate Support Services**
- (b) Economic Support Services
- (c) Department of Integrated Environmental; Management
- (d) Finance Department
- (e) Infrastructure
- (f) Social Services
- (g) Public Services
- (h) Roads and Storm Water Drainage

The Section 80 Portfolio Committees are chaired by a member of Mayoral Committee. These committees meet on a monthly basis and consider reports from the various Council departments and would in turn make recommendation to Mayoral Committee.

Mayoral Committee: The Mayoral Committee is made up of 10 Members of Mayoral Committees (MMC's) who head Portfolio Committees. These MMC's advises the Executive Mayor on the strategic direction the Municipality should follow. The Mayoral Committee discusses reports that are received from the various Portfolio Committees and recommends to Council depending on whether the matter is a delegated matter or not.

Section 79 Municipal Public Accounts and Oversight Committee: (MPAC) was established with specific terms of reference and consists of 12 non-executive Councillors. MPAC exercises oversight over the executive functionaries of Council and ensures good governance in the Municipality. Its functions include the analysis of the Annual Report, and submission of the Oversight Report on the Annual report to Council with recommendations. Once the Oversight Report has been considered and approved by Council it is published in accordance with the MFMA requirements and guidance. Both the **Audit Committee and the Performance Audit Committee** are independent committees constituted to review the control, governance, performance, risk management and financial management within the Municipality. They are established in terms of Sections 166 of the Municipal Finance Management Act (MFMA).The Committees are constituted by 4 members each, who meet quarterly as per the schedule of meetings and provide recommendations on financial and non-financial processes of the Municipality.

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The **Risk Management Committee** is a committee chaired by an Independent Chairperson to review the institutional risk management and address its oversight requirements of risk management and evaluating and monitoring the institution's performance with regards to risk management

The **Petitions Committee** has been established as a Section 79 Committee reporting directly to Council in terms of Council's Complaints and Petitions Strategy.

The **Councillors Ethics** Committee has been established in terms of section 79 to deal with the conduct of councillors.

T2.1.1

Chapter 2

POLITICAL STRUCTURE



Executive Mayor

Cllr K C Seerane



Speaker

Cllr S Thupane

Chapter 2



Chief Whip

Cllr S Dube

Chapter 2

MOGALE CITY MAYORAL COMMITTEE



MMC: Finance

Cllr F Bhayat



MMC: Roads & Transport

Cllr B Friedman

Chapter 2



MMC: Local Economic Development

Cllr M Khuzwayo



MMC: Sports, Arts, Culture & Recreation

Cllr N Kufa

Chapter 2



MMC: Infrastructure Services

Cllr D Letsie



MMC: Integrated Environmental Management

Cllr N Mangole

Chapter 2



MMC: Community Safety

Cllr N Mdlulwa



MMC: Human Settlement and Rural Development

Cllr A Setswalo-Moja

Chapter 2



MMC: Social Upliftment and Health

Cllr E Mathe



MMC: Corporate Support Services

Cllr A Mathibe

T2.2.2

Chapter 2

COUNCILLORS

Councillors are representatives of their constituents and their immediate needs. They have the responsibility to ensure that the decisions they take address access to service delivery and opportunities. Councillors also need to be conscious of the impact of these decisions on their constituents and long term implications on the community. They need to ensure that there is frequent consultation with community members, ward committee members and organized interest groups.

Mogale City has 68 Councillors, of which 34 are elected directly to represent individual wards within the area of jurisdiction of Mogale City. The other 34 Councillors are chosen from a proportional representation system based on the percentage of votes each political party received during the latest local government elections. From these elected representatives, Council elects the Executive Mayor, who then appoints a Mayoral Committee to oversee specific Portfolio Committees.

Refer to **Appendix A** where a full list of Councillors can be found (Including committee allocations and attendance at council meetings).

Also refer to **Appendix B** which sets out committee and committee purposes

T2.1.2.

POLITICAL DECISION-TAKING

Each of the ten portfolio committees should convene monthly meetings to consider matters pertinent to the relevant department and monitors progress on the departmental targets and submits their reports to the Mayoral committee. The Mayoral Committee considers matters from various portfolio committees and submit reports with recommendations to council sittings on a quarterly basis.

Council operates on a quarterly monthly meeting schedule (that includes the special meeting that are convened on the basis of need).

Council ensures that the mandate of local government to local communities is observed.

T2.1.3

Chapter 2

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

As the Head of Administration, the Municipal Manager is the Accounting Officer. The Municipal Manager advises Council and its committees on administrative matters such as policy issues, financial matters, organisational requirements and personnel matters. The Municipal Manager has to personally provide reasons to Council for the way in which the financial affairs of the departments of Council had been conducted, and this will be conducted with the assistance of the Finance Department.

The Chief Operating Officer is the key Department within the Municipal Managers' office. It is responsible for the Integrated Development Plan (IDP), Monitoring and Evaluation, the Programme

Management Office and the Municipal Infrastructure Grants Office. Internal Audit is also located in the Municipal Manager's office and ensures compliance with the Municipal legislation. It also monitors that all departments adhere to the IDP, the Municipal strategy and policies.

MCLM has six (6) Municipal Departments that report to the Municipal Manager. These Departments are headed by Executive Managers who ensure that services are delivered to the people of Mogale City.

Service Delivery Departments

Economic Services

Economic Services programme is part of the strategic objective 1 of sustainable services to the community. The intention of this programme is to provide sustainable local economic development. The Economic service Department consists of Development Planning, Human Settlements & Rural Development, Strategic High Impact Projects, Tourism Development, Land Resources Mobilisation & Partnerships, and Enterprise Development. Development and Planning adjudicates on new building plans and the spatial development and land uses in the City. Meanwhile Rural Development is responsible for rural development programmes and assists in cases of farm evictions and also in the process of formalising settlements, through the provision of sites and services. Moreover, other activities are to assist with emergency relief to evicted people in farm areas and other emergency relief in the surrounding areas.

Housing delivery is facilitated through the housing unit, which works together with Gauteng Department of housing (GDoH). The sub-unit is responsible to register, allocate and handover housing units and title deeds to beneficiaries. Awareness campaigns to inform communities about the status of their informal settlement in our development plans.

The Enterprise Development sub-unit on the other hand has tourism development, SMME, and business licensing. Tourism development is set to provide direct and indirect job opportunities. The

Chapter 2

objective of assisting small business is to facilitate local investment, small business development and job creation. Moreover, it provides services by assisting in the formalization of informal business as well as the establishment of new business and co-operatives in Mogale city

Infrastructure

This programme is largely driven by the department of Infrastructure Services that includes Water and Sanitation, Electricity and Roads and Storm Water Divisions. It is responsible for large capital infrastructure delivery within Mogale City. The main objective of this programme is to address all the basic service delivery needs to the community of Mogale city.

Integrated Environmental Management

The integrated Environmental Management programme is part of Strategic Objective 2 which aims to deliver services of:

1. Management of refuse removal, recycling and minimization of waste at the municipal landfill sites.
2. Promote urban greening, open spaces management and management of Municipal parks.
3. Promote sustainable environment management and mitigate all environment impacts.

Social Services

Social Services programme provides crucial services through social upliftment, public safety as well as Sport, arts, culture, recreation, motor vehicle and licencing Divisions. Social Upliftment division focuses on the following areas:

1. Poverty alleviation activities such as facilitation of Indigent Management.
2. Empowerment of women, children, youth, the disabled and the elderly is also a major programme of social upliftment.

The Public Safety Division provides services in municipal activities, such as a Road safety education, traffic law enforcement and security.

The Libraries programme aims to attract large number of people to use community libraries around MCLM. There are 10 libraries, which provide 6 days per week services to the community.

Support Departments

Corporate Support Services

Corporate Support Services is tasked with providing support functions within the organisation, it services the organisation through the following divisions

1. Corporate Administrative Support

Chapter 2

2. Legal Services
3. Human Capital Management
4. Marketing Communication and Customer Relations Management

During the year under review, there were no major structural reviews. The Municipal Manager and his team of Executive Managers hold fortnightly meetings to discuss key strategic service deliverables, progress and guidance on achieving Integrated Development Plan (IDP) goals, as well as the monitoring of the Municipal Budget and Projects

Financial Services

The programme ensures that the Municipal finances are well managed in accordance with the various legislative requirements. The department consist of the following Divisions:

1. Treasury and Budget Office
2. Creditors
3. Expenditure
4. Revenue and
5. Supply Chain Management
6. Valuation

Political Support Services

The department is responsible for administration and technical support to the office of the Executive Mayor, the Speaker and Chief Whip. Key functions entails public participation, petitions management, media liaison and Councillors' support

T2.1

Chapter 2

TOP ADMINISTRATIVE STRUCTURE		Function
TIER 1		
	MUNICIPAL MANAGER	
	D Mashitisho	Strategic Support Services Economic Services Integrated Environmental Management Infrastructure Services Social Services Financial Management Corporate Support Services Chief Audit Executive Chief Operations Officer Political Support Services

Chapter 2

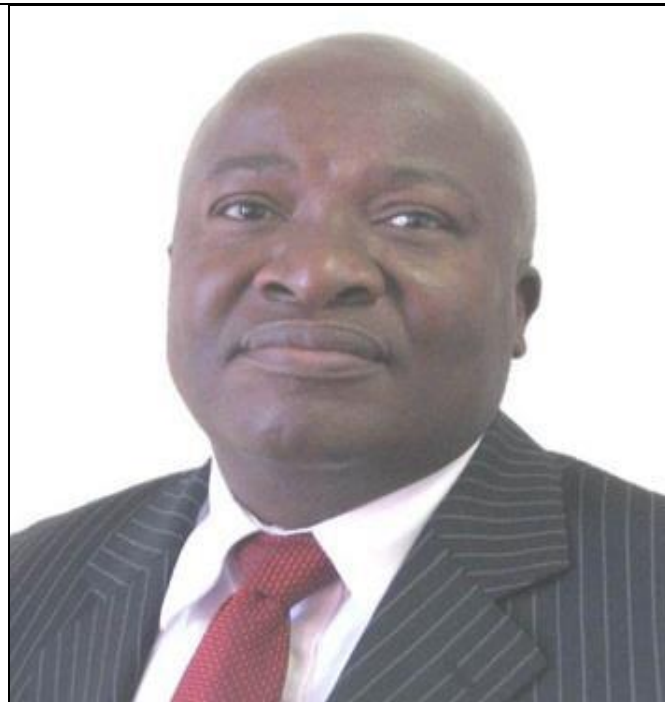
TIER 2



CHIEF FINANCIAL OFFICER

L Mahuma

Budget and Treasury
Creditors
Expenditure
Revenue
Supply Chain
Management
Valuations



CHIEF OPERATING OFFICER

A Mbulawa

Integrated
Development Planning,
, IGR
Monitoring and
Evaluation
Programme
Management Office (PMO)
Project Management
Unit

Chapter 2



**CHIEF AUDIT
EXECUTIVE**

D Ngutshana

Internal Audit
Corporate Ethics



**EXECUTIVE MANAGER:
CORPORATE SUPPORT
SERVICES**

R Mokebe

Corporate
Administration
Legal Services
Human Capital
Marketing,
Communications and
Customer Relations
Management
Knowledge and
Information
Management

Chapter 2



**EXECUTIVE
MANAGER:
ECONOMIC SERVICES**

M Msezana

Building
Development
Management
Strategic High
Impact Projects
Enterprise
Development
Tourism
Development
Human Settlement
& Rural
Development
Development
Planning
Management
Land Resource
Mobilisation &
Partnership



**EXECUTIVE
MANAGER:
INFRASTRUCTURE
SERVICES (Acting)**

S Mbanjwa

Water and
Sanitation
Roads and Storm
water
Electricity
Fleet Management
Building
Maintenance

Chapter 2



**EXECUTIVE
MANAGER:
DEPARTMENT OF
INTERGRATED
ENVIRONMENTAL
MANAGEMENT**

Environmental
Management
Municipal Health
Parks and
Cemeteries

M Mokoena



**EXECUTIVE
MANAGER: SOCIAL
SERVICES**

Social Upliftment
Traffic Security and
VIP Protection
Motor Vehicle and
Driver Licensing
and Testing
Sport, Arts, Culture
and Recreation

S Mathebula

Chapter 2



**EXECUTIVE MANAGER:
POLITICAL SUPPORT
SERVICES**

Political Support
Services

R Seoposengwe

Chapter 2

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Note: MSA section 3 requires that municipalities exercise their executive and legislative authority within the constitutional system of co-operative governance envisaged in the Constitution section 41.

Mogale City Local Municipality subscribes to the spirit of co-operative governance & intergovernmental relations. This can be explained by its affiliation in such structures within the West Rand District Municipality constituency as well as its relationship with the Gauteng Province government departments. The Executive Mayor and the Member of the Mayoral Committee (MMC) responsible for Finance serve in the executive of Gauteng chapter of SALGA. The strong relationship with sector departments (Provincial Departments) assists in the development of a well-rounded Integrated Development Plan (IDP) informed by inputs from these sectors. For an example, Human Settlements is a Provincial competency, it then makes the task of the municipality much easier if we have provincial counterparts to explain housing matters during Mayoral Roadshows.

T2.3.1

Chapter 2

2.3 INTERGOVERNMENTAL RELATION

NATIONAL INTERGOVERNMENTAL STRUCTURES

The Municipality have no “direct” contact with National Departments in IGR forums but that does not rule out any kind of interaction between Municipal Departments and their National counterparts. Sometimes informal discussions are held by officials in national conferences and meetings which in turn lead to direct interactions. This is done in a responsible manner and with respect of the provincial government. In addition the municipality actively participate in MEC-MMC forums through which other issues are escalated to MinMec Forum (Minister-MEC Forum).

T2.3.1

PROVINCIAL INTERGOVERNMENTAL STRUCTURES

The Premier’s Coordinating Forum (PCF) is the structure where the Premier, the MEC’s and Executive Mayors meet to discuss local, district and provincial development plans. A technical committee is chaired by the Provincial Director-General with the heads of departments and municipal managers and it feeds /advises the PCF. There is also the MEC-MMC Forum- this is more service delivery oriented as it puts together the provincial political heads, district/local MMC’s and head of departments.

There are also a number of other forums which are structured to deal with specific delivery issues. One can mention the Municipal Managers’ (MM) Forum, the Speakers Forum and the Chief Financial Officers’ (CFO) Forum.

The newly formed Gauteng Intergovernmental Relations (IGR) / International Relations (IR) Practitioners Forums is composed of all IGR/IR Practitioners from the Districts, Locals and Sector Departments. It is was formed as an attempt to bridge the “gap” created by the limitations of the IGR Frame Work Act of 2005.

A calendar of all these forums is circulated at the beginning of each year

T2.3.2

Chapter 2

RELATIONSHIPS WITH MUNICIPAL ENTITIES

Mogale City Local Municipal has no municipal entity

T2.3.3

DISTRICT INTERGOVERNMENTAL STRUCTURES

Mogale City Local Municipality (others are Merafong, Westonaria & Randfontein) falls under the West Rand District Municipality (WRDM). The following are the key forums:

- Mayors Forum (Commonly known as the District IGR Forum (DIF))
- Speaker Forum
- MM's Forum
- CFO's Forum
- Communicators Forum
- IDP Forum
- Community Safety Forum
- WRDM IGR Practitioners Forum

The above forums are very effective in discussing district based political/administrative issues. In the WRDM context they are also used as a tool to pave the path for the planned "Unicity".

T2.3.4

Chapter 2

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

Note: MSA section 17 (2): requires a municipality to establish and organise its administration to facilitate a culture of accountability amongst its staff. Section 16 (1): states that a municipality must develop a system of municipal governance that compliments formal representative governance with a system of participatory governance. Section 18 (a) - (d): requires a municipality to supply its community with information concerning municipal governance, management and development.

Mogale City Local Municipality has adopted the West Rand Region Public Participation Strategy for Local Municipalities to assist the municipality in meeting the statutory requirement on public participation as spelled out in the Constitution and in chapter 7 of the Municipal Systems Act No. 32 of 2000. The purpose of the Public Participation Strategy is to streamline, guide, clarify, identify and inform public participation processes, activities, programmes, initiatives and reports for all Municipalities in West Rand. Public Participation is an important unit that is used to build local capacity and self-reliance, and also to justify the extension of the power of the state. It is also used as an open, accountable process through which individuals and groups within communities can exchange views and influence decision-making.

Mogale City Local Municipality engages its public through **ward committees, monthly public meetings convened by ward councillors, sectoral meetings convened and chaired by MMCs and Mayoral Road Shows chaired by the Executive Mayor (at least two in a financial year)**. The Executive Mayor has launched both **Facebook and Tweeter** pages where public, especially youth can send their questions, comments and inputs for the attention of the Executive Mayor and the office.

The local community radio stations are also used to communicate and cover most of public consultation meetings. The Executive Committee is occasionally given opportunity to attend radio interviews where members of community are required to participate.

T2.4.0

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

Notices are sent prior to the commencement date of the public meeting sessions. Pamphlets and posters are developed and disseminated across MCLM aimed at reaching out to all the communities.

All public meetings are communicated to the public through various means such as:

- Local Radio Station
- Written Media adverts
- Pamphlets
- Loud hailing
- Posters
- Municipal Website
- Door to Door by ward committees
- Social media

Ward Councillors hold monthly public consultation meetings at streets or block levels in their wards. Ward committees also convene monthly block and sector meetings in each ward. These public participatory meetings are continuously held in the spirit of transparency, accountability, participatory governance, commitment and honesty.

Mogale City Local Municipality involve ward committees in central municipal processes that are indicated in section 16(1) (a) of the Systems Act, which requires public participation, specifically the IDP, budget, performance management, performance and strategic decisions on service delivery. Although Mogale City Local Municipality has established ward committees, and provision exists in terms of section 74(b) of the Systems Act and Section 5(3) (d) of Notice 965 of 2005 to delegate powers to ward committees, MCLM has made the effort to empower ward committees by assigning them responsibilities over and above their duties as advisory bodies.

T2.4.1

Chapter 2

WARD COMMITTEES

Local Government: Municipal Structures Act (Act 117 of 1998) under section 73 provides that a Metro or Local council must establish a ward committee for each ward in the municipality. The Local Government: Municipal Systems Act (Act 32 of 2000) in chapter 4 provides in section 16 that a municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance. Pursuant to this objective, the municipal council of Mogale City Local Municipality has established ward committees in 34 wards and in line with the pursuance of the objectives of bringing the democratic government closer to communities. In making local government accountable to communities the policy on establishment and payment of out of pocket expenses was further develop to guide this process.

The ward committees are expected to hold meeting, work with the councillors to identify community needs, make recommendation to council, receive feedback and communities, assist ward the councillor to attend to community complains, facilitate the implementation of projects, and prioritise community needs.

The Office of the Speaker together with the Co-operative Governance and Traditional Affairs Department (COGTA) assists ward committees to perform their function on the continuous basis by organizing training to address the needs.

Background

The line of responsibility becomes blurred in terms of who is expected to do what in communities. Ward councillors see themselves as the first leader of the ward. Ward committee see themselves the gatekeepers of projects. All these roles need to be managed to avoid role of conflicts.

The key purpose of Ward committees

To hold monthly meeting, work with the councillors to identify community needs, make recommendation to council, receive feedback and communicate with communities, assist ward councillor to attend to community complains, facilitate the implementation of projects, and prioritise community needs.

T2.4.2

Chapter 2

Public Meetings							
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issues raised by community	Issue addressed (Yes/No)	Dates and manner of feedback given to community
Community consultation seeking input on 2016/17 IDP and Budget at Hekpoort	14/11/2015	9	31	122	Housing. Disruptions on water provision. Cemetery needs upgrading and maintenance. Grant request for disabled children. Need for sports ground. Unemployment	Yes, were referred to relevant Departments	21/05/2016-Draft IDP and Budget that included community input from November 2015 was presented.
Community consultation seeking input on 2016/17 IDP and Budget at Rietvallei (2 & 3)	12/11/2015	5	30	526	Solar geysers and sidewalks. Housing. Parks need upgrade. Mobile police Station. Youth empowerment. Need for Community centre. Gazebos needed for indigenous games.	Yes, were referred to relevant Departments	23/05/2016-Draft IDP and Budget that included community input from November 2015 was presented.

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Community consultation seeking input on 2016/17 IDP and Budget at Swanneville	12/11/2015	5	28	580	Roads need to be tarred in Lusaka. Housing. Upgrading of parks. Mobile police station. Unemployment.	Yes, were referred to relevant Departments	23/05/2016-Draft IDP and Budget that included community input from November 2015 was presented.
Community consultation seeking input on 2015/16 IDP and Budget at Kagiso Ext. 12, 13 and 14	12/11/2015	4	30	447	Clarity on Ext 13 housing development. Overcrowding at Kid Maponya. More books at Ext. 12 library. Street humps at Mzamo street.	Yes, were referred to relevant Departments	23/05/2016 - Draft IDP and Budget that incorporated community input was presented.
Community consultation seeking input on 2016/17 IDP and Budget at Magaliesburg	15/11/2015	5	14	136	Upgrading of civic centre. Housing. Faulty water meters need replacement. Proper maintenance of parks. Unemployment	Yes, were referred to relevant Departments	22/05/2016-Draft IDP and Budget that incorporated community input was presented.
Community consultation seeking input on 16/17 IDP and Budget at Tarlton	15/11/2015	5	25	168	High mast light not working. Sanitation needs upgrading. Areas around toilets need to be cleaned as are unsafe and unhealthy. Housing.	Yes, were referred to relevant Departments	22/05/2016-Draft IDP and Budget that included community input from November 2015 was presented.

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Community consultation seeking input on 2016/17 IDP and Budget at Kagiso 1 and Singobile	17/11/2015	5	18	243	Improvement of infrastructure at Kagiso hostel. Illegal dumping sites need to be cleared. Grass cutting needed.	Yes, were referred to relevant Departments	24/05/2016-Draft IDP and Budget that included community input from November 2015 was presented.
Community consultation seeking input on 2016/17 IDP and Budget at Jubilee Hall	17/11/2015	3	26	42	Support for SMMEs. Strengthen indigent policy. Need for a church sites. High unemployment rate.	Yes, were referred to relevant Departments	24/05/2016-Draft IDP and Budget that included community input from November 2015 was presented.
Community consultation seeking input on 2016/17 IDP and Budget at Kagiso Hall	18/11/2015	7	16	427	Clarity on Ext. 13 houses. More houses are needed for Soul City people. Speed calming humps erected are not standard. Need for extension of the local clinic. Revenue bills that are unstable. Roofing project need to be completed. Revitalization of Chamdor Training Centre. Unemployment.	Yes, were referred to relevant Departments	24/05/2016-Draft IDP and Budget that included community input from November 2015 was presented.

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Community consultation seeking input on 2016/17 IDP and Budget at Boipelo Primary School	19/11/2015	5	26	510	Dissatisfaction y over ext. 13 housing project. Unemployment. Unfair processes of housing allocation. Storm water drainage. People of Kagiso should be prioritized in all areas of development.	Yes, were referred to relevant Departments	26/05/2016-Draft IDP and Budget that included community input from November 2015 was presented.
Community consultation seeking input on 2016/17 IDP and Budget at Khosa Club	19/11/2015	2	28	31	Unemployment. Need for youth development programmes. Bob van Reenen Stadium should be open for public. Water leaks around Krugersdorp. Maintenance of aging infrastructure. Traffic congestion at Pinehaven intersection. Vacant stands. Grass cutting in Rangeview	Yes, were referred to relevant Departments	25/05/2016-Draft IDP and Budget that included community input from November 2015 was presented
Community consultation seeking input on 2016/17 IDP and Budget at Muldersdrift	21/11/2015	6	16	316	Need for sites and services, electricity and skip bins at plot 189. Need for church sites. Illegal dumping. Need for ABET centre. Unemployment. Housing. Street lights maintenance.	Yes, were referred to relevant Departments	29/05/2016-Draft IDP and Budget that included community input from November 2015 was presented

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COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETING HELD:

The overall aim of these meetings was to grant Municipality an opportunity to present among others the draft 2016/17 IDP and Budget to communities of Mogale City as a whole, by so doing deepening public participation and democracy as outlined in the Municipal Systems Act of 2000. Communities were also afforded an opportunity to voice their opinions on the day to day functioning of the municipality. These community consultation meetings are vital as they assist in bridging the gap between government and people.

There is a good relationship between the municipality and a local community radio stations. The station assists in live broadcasting of most of the public meetings, and also offer communities opportunity to comment through calling in or sending in comments through social media. The municipal leadership is also afforded opportunity to interact with community members through talk shows hosted by community radio stations.

Apart from IDP and Budget presentations, the municipal representatives outlined at length on service delivery issues that included achievements and setbacks. The Municipality was also able to receive feedback from communities on how service delivery rendered by municipality impact on their lives.

The inputs received from communities were packaged as comments, suggestions, complains and questions by IDP Department. Issues found to need urgent attention, or that could be quickly dealt with, were referred to various relevant Departments for action. Issues which were found to be of long or medium term, found their way into forming part of 2016/17 IDP and Budget Plans dictated by municipal prioritisation.

T2.4.3.1

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2.5 IDP PARTICIPATION AND ALIGNMENT

IDP PARTICIPATION AND ALIGNMENT CRITERIA*	Yes/no
Does the municipality have impact, outcome, input, output and indicators?	YES
Does the IDP have priorities, objectives, KPIs, development strategies?	YES
Does the IDP have multi-year targets?	YES
Are the above aligned and can they calculate into a score?	YES
Does the budget align directly to the KPI in the strategic plan?	YES
Do the IDP KPIs align directly to the KPIs in the strategic plan?	YES
Do the KPIs align to the Section 57 Managers?	YES
Do the IDPs align lead to functional area KPIs as per the SDBIP?	YES
Do the KPIs align with the Provincial KPIs on the 12 outcomes	YES
Were the four quarter reports aligned reports submitted with the stipulated time frames?	YES
*Section 26 Municipal Systems Act 2000	T2.5.1

Chapter 2

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

Governance is the process of decision-making and the process by which decisions are implemented. An analysis of governance focuses on the formal and informal actors involved in decision-making and implementing the decisions made and the formal and informal structures that have been set in place to arrive at and implement the decision. Governance in the public sector needs to take into account legal and constitutional accountability and responsibilities. Mogale City Local Municipality was established in terms of Section 12 Notice of the Municipal Structures Act of 1998. In terms of the Section 12 Notice, the Municipality is a Category B Municipality which operates within the Mayoral Executive System combined with the Participatory Ward System. Governance at MCLM is composed of both the Political and Administrative Governance which ensures that governance involves the community and that all citizens within the Municipal Area are represented in decision making.

The Political leadership of the Municipality exercise their executive and legislative powers and functions to govern the affairs of the Municipality. Administration is responsible for Corporate Governance as prescribed by various legislative frameworks. Mogale City values public accountability and participation as the method of which it interacts and communicates with local communities by way of holding community meetings, Izimbizo's and the process of ward committees dealing with the issues within the wards. Corporate governance looks at issues of transparency and accountability where the Municipality outlines its top risks, the supply chain management process as well as how the Municipality deals with fraud and corruption issues. Together these imperative aspects ensure that all processes of the Municipality are properly functioning and that communities receive quality services.

T2.6.0

2.6 RISK MANAGEMENT

RISK MANAGEMENT

Note: MFMA section 62 (i) (c) requires a municipality to have and maintain an effective, efficient and transparent system of risk management

In rendering services delivery the Mogale City Local Municipality is exposed to a wide range of risks and also opportunities. The Risk Management (RM) function ensures consistent alignment and management of key risks in order to achieve the municipality's core strategic objectives. The role of RM function is to provide the municipality with comprehensive support for institutionalizing risk management, coaching management on principles and practices of RM, coordinating efforts in determining the municipality's risk exposure and in the development of action plans by management for addressing such exposure.

Mogale City established a Risk Management Committee and Risk Management Champions' Committee. An independent chairperson has been appointed to chair the Risk Management Committee which includes heads of departments. In the 2015/16 financial year, the Risk Management section managed 113 risks, including the project risk register, via an annual update session per department, as well as monitor and review sessions with each risk owner or department. The strategic risk register was also submitted to the Risk Management Committee and the Regional Audit Committee for oversight purposes

The Risk Management Champion represents the respective department and is tasked with the following responsibilities:

- Co-ordinate risk management activities with functional areas;
- Assist in embedding risk management;
- Arrange and facilitate risk meetings, presentations and workshops involving staff within the functional areas;
- Assist in collating and reporting on risk information;
- Provide guidance on matters relating to risk management.

The five top strategic identified risks are

- Delay in the implementation of the ERP Transitional Phase
- Inadequate bulk capacity and rehabilitation of the ageing infrastructure
- Loss of revenue
- Litigation (fines, disclaimer and prosecution)
- Low economic growth and investment

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The Risk Management Maturity Assessment of the municipality has been completed for the 2015/16 financial year, the results of which indicated a retained score of Level 4.9 (Information level out of a revised scale of 6).

T2.6.1

Chapter 2

2.7 ANTI-CORRUPTION AND FRAUD

ANTI-CORRUPTION AND FRAUD

Note: See Chapter 4 details of Disciplinary Action taken on cases of financial mismanagement (T 4.3.6). MSA 2000 s 83 (c) requires providers to be chosen through a process which minimizes the possibility of fraud and corruption.

The Anti-Corruption Policy of MCLM

The Anti-Corruption Policy (ACP) is aimed at curbing corruption, fraud, theft, extortion, maladministration etc. in the municipality. Conducting ACP campaigns is an effective tool to sensitize officials about the existence of this policy. The four main components of the ACP include but is not limited to the following strategies: Operational, Prevention, Detection and Response Strategy.

The Corporate Ethics Division has embarked on a process to conduct the Ethics Awareness and Anti-Corruption Campaigns. The ACP and the the Code of Conduct for the Staff Members under Schedule 2 of the Municipal Systems Act 32 of 2000 has been distributed in the Municipality for all staff members to familiarise themselves with, prior to the foregoing sessions. During the sessions, interactive discussions take place and attendees are encouraged to fully partake.

The ACP and the Ethics Awareness campaigns are conducted in one session divided into two segments i.e. ACP and the Ethics Awareness. The sessions started in the 1st quarter of 2015/16 and it is still work in progress and will run until all officials have attended these sessions. The purpose thereof is to cultivate and embed an ethical culture in the municipality. It is an established fact that ethics play a significant role in preventing corruption, fraud, theft, maladministration etc., because ethics underpins any rule of law, policies, working procedures, by-laws etc. Where law or policies etc. are silent, ethics kicks in.

2.7.1

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

Note: MFMA S110-119; SCM Regulations 2005; and relevant MFMA circulars set out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money and minimize the opportunities for fraud and corruption

The Supply Chain Management Policy was approved by the Mayoral Committee in terms of their delegated powers on 6 October 2005, Item 5.4.1 (09/2005), and came into effect on 1st of October 2005. According to this approved policy and the National Treasury Regulations, this policy needs to be reviewed annually by the accounting officer and proposals for amendment must be submitted to Council. Since the initial adoption, the policy was amended on 29 October 2009, item K (ii) (10/2009), for the effective procurement of small/minor goods and services through petty cash.

The Preferential Procurement Regulations, 2011 became effective on 7 December 2011. The new Regulations were implemented by Mogale City as from 7 December 2011. None of the changes in this legislation however affected our existing Supply Chain Management Policy.

On 21 June 2012, item K (ii) 2 (06/2012), Council approved the adding of the new legislation to the list of applicable legislation under Definitions, and the term “emergency” as included under section 36 of the SCM Policy was defined under section 1 Definitions in the SCM Policy.

The Gauteng Provincial Treasury issued the Municipal Supply Chain Management Framework to all municipalities in Gauteng in the beginning of May 2015 in order to consolidate all circulars issued by Gauteng Provincial Treasury into one legislative prescript that will assist municipalities to implement SCM prescripts and ensure proper and continued SCM reforms.

All SCM circulars that were issued by Gauteng Provincial Treasury prior to this Framework will be repealed and replaced by the SCM Framework. Municipalities were therefore requested to review their SCM policies and ensure that the contents thereof are aligned to this Framework.

The following topics as per the Framework, were incorporated into the Mogale City SCM policy:

- inclusion of the Upliftment of Township-Based Local Suppliers;
- Inclusion of the development of cooperatives;
- Inclusion of the submission of procurement plans;
- Inclusion of the verification of state employees through the PERSAL system;
- Inclusion of validity period of quotations and bids;

Chapter 2

- Exceptions from normal procurement processes;
- Requirements for Section 32 appointments.

The proposed revision to the SCM Policy was presented to Council as part of the Budget related policies during the approval of the budget for 2015/16.

Database of Suppliers:

The SCM Unit was experiencing a problem with the fact that the BIQ financial system was not compliant with changes in PPPFA legislation and therefore it was not possible to capture service providers BEE information on the system. As the BIQ Vendor Database is run from a Visual Basic (VB) application is not accessible to the SCM Unit currently. The new LIMMS system as rolled out by RAMCO, will provide for a fully compliant SCM module that includes a vendor database.

Permission was requested from the Municipal Manager for the utilisation of the services of Comperio Forensic Services through a Section 32 appointment to perform supplier vetting and supplier database due diligence on the vendor and creditor database of Mogale City in lieu of the implementation of the new supply chain module as part of the implementation of the new financial system.

Transactional data analysis on supplier vetting services are being performed for all service providers registered on the vendor database as well as the creditor database, which include the following:

- Verification of companies, its directors and employees;
- Verification of business address, postal address and contact details supplied by the vendors;
- Verification of business registration numbers and tax numbers;
- Verification of the validity of VAT number for companies;
- Verification of business involvement and links and declaration thereof;
- Business background check;
- Verification and authenticity of BEE certificate of companies;
- Verification of the status of a company to ensure that the vendor is still a registered entity;
- Complete credit check on company (judgements, defaults, notices, etc)
- Identify possible incidents of fronting by the company and/or its directors;
- Establish whether any directors of the company are in the service of the state;
- Identify, clarify and verify any possible conflict of interest between companies, its directors and municipal employees;
- Requesting of new tax clearance certificates, BEE certificates and municipal accounts for all vendors on database;
- Requesting Creditors that are not registered on the vendor database to complete vendor application.

Desired outcome:

- Single integrated vendor database that complies with all relevant laws and regulations;

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- Compliant database that can be imported to new IFMS system.

All departments need to note that as from 1 July 2015 no quotation may ultimately be accepted from a service provider who is not registered on the MCLM vendor database. That is the only way to ensure that the service provider has been vetted and complies with all the SCM requirements.

Bid Specification Committee:

In accordance with the Policy, a system of Bid Committees has been established. Bid Specification Committee is established for each individual bid and approved by the Municipal Manager, and meet on an ad hoc basis to deal with the drafting of specification as and when required; with the assistance from the SCM Unit.

The composition of the Bid Specification Committees is as follows:

- The Specialist: Demand and Acquisition Management is the chairperson of the Bid Specification Committee;
- Manager and other senior staff from the relevant department as approved by the Municipal Manager;
- At least one SCM practitioner and one legal representative;
- Any external experts as approved by the Municipal Manager

Bid Evaluation Committee:

The following are the permanent members of the Bid Evaluation Committee as appointed by the Municipal Manager:

Rethabiseng Mokebe	Executive Manager: Corporate Services (Chairperson)
Sandile Mbanjwa	Acting Executive Manager: Infrastructure (Technical)
Maria Makhoana	Legal Section (Legal advisor)
Renell Liebenberg	Manager: SCM

Various officials from the user department are also appointed as members for that specific tender by the Municipal Manager.

The Bid Evaluation Committee meets every second Monday and has met on the following dates in the 2014/15 financial year to consider and evaluate on tender reports received:

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July – Sept 2014	Oct – Dec 2014	Jan – March 2015	April – June 2015
14 July 2014	6 Oct 2014	19 January 2015	02 April 2015
25 July 2014	27 Oct 2014	22 January 2015	17 April 2015
18 Aug 2014	29 Oct 2014	05 February 2015	24 April 2015
08 September 2014	31 Oct 2014	10 February 2015	30 April 2015
25 September 2014	10 Nov 2014	09 March 2015	08 May 2015
	21 Nov 2014	13 March 2015	29 May 2015
	01 Dec 2014	19 March 2015	10 June 2015
	08 Dec 2014	26 March 2015	11 June 2015
	15 Dec 2014		22 June 2015
	17 Dec 2014		23 June 2015
	18 Dec 2014		24 June 2015
			25 June 2015

Bid Adjudication Committee:

The Bid Adjudication Committee is a standing committee comprising of the following members:

Executive Manager	Designation
Leslie Mahuma	CFO (Chairperson)
Makosana Nsezana	Executive Manager: Economic Services
Shirley Mathebula	Executive Manager: Social Services
Andre Botes	Manager: Roads and Surface Drainage (Technical Advisor)

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Morakane Mokoena	Executive Manager: Integrated Environmental Management
Maloto Phogole	Specialist: Demand and Acquisition Management (SCM practitioner)
Arthur Khoza	Specialist: Contract Management
Justin Baloyi	Manager: Legal Services

Mr Andre Botes, the Manager: Roads and Surface Drainage, replaced the erstwhile Executive Manager: Infrastructure Services, Mr Dennis Mokotedi, as a member of the Bid Adjudication Committee.

The newly appointed Executive Manager: Economic Services, Makhosana Msezana, was also appointed as member of the Bid Adjudication Committee in this quarter.

Currently the committee has 8 members of which 4 is senior managers, and the quorum is 4 members. In order for this to remain a committee of senior managers, only one secondi member is allowed to constitute a quorum. Therefore there will always be at least 3 executive managers at the BAC meetings (50% + 1). The attendance by secondi members is only allowed in the event of sick leave, annual leave or in exceptional circumstances when the member has urgent matters to attend to.

The Bid Adjudication Committee meets every second Friday and has met on the following dates in the 2014/15 financial year to consider and adjudicate on recommendations received from the Bid Evaluation Committee:

July – Sept 2014	Oct – Dec 2014	Jan – March 2015	April – June 2015
04 July 2014	10 Oct 2014	28 January 2015	22 May 2015
27 Aug 2014	14 Nov 2014	25 February 2015	08 June 2015
12 Sep 2014	28 Nov 2014	20 March 2015	19 June 2015
	03 Dec 2014		26 June 2015
	19 Dec 2014		

No councilors are serving on any of the bid committees and also may not attend any of the bid Committees as an observer.

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Unsolicited bids

No unsolicited bids have been accepted by Mogale City Local Municipality during the year under review.

Contract and Contract Management

The drafting of SLA's resorts under the Legal Section in the Corporate Support Department, but the management of contracts resorts under the Specialist: Contract Management in the SCM Division. For all tenders awarded a contract is entered into. This contract can be any of the following:

- Form C1.1 in terms of the CIDB (construction related) tender document;
- Form MBD 7.1 for the supply and delivery of goods;
- Form MBD 7.2 for the rendering of services;
- Formal SLA for any goods and services (other than construction related contracts) which is not of a once-off nature and for which the level of service needs to be prescribed and monitored.

Contracts are actively managed by the Specialist: Contract Management. Notices are sent to user departments to remind them of the expiry date of their contracts in order to ensure that new tender processes are embarked upon timeously. The escalation clauses in terms of the SLA's are monitored and implemented. Meetings are held with service providers that are not delivering in terms of the agreements and contracts are terminated when necessary.

Managing of Performance of Contractors

It is a requirement in terms of section 116 (2)(b) of the MFMA that the accounting officer must:

Monitor on a monthly basis the performance of the contractor under the contract or agreement;

During a recent compliance audit the Provincial Treasury assisted Mogale City by providing a template that must be completed by the relevant project manager from the user department; in which the performance of the contractor is monitored on a monthly basis. It was decided that the most effective way in which to obtain these compulsory supplier evaluation forms, was to make it mandatory for a supplier evaluation form to be attached to all payment requisitions and that no payment will be affected by the Creditors Section to that service provider if this form is not completed and attached.

Once invoices for suppliers/service providers/contractors are paid by the Creditor's Section, these supplier rating forms are forwarded to the Contract Management Section. In Annexure C the results of these ratings are attached. This is now analyzed by the Contract Management Section. All instances of

Chapter 2

“Not quite up to standard” as well as “Unacceptable” are followed up by means of meetings with the relevant user department, consultant involved (if applicable) as well as the service provider/contractor.

Competency levels of officials involved in Supply Chain Management

All the senior staff in the SCM Division has attended the prescribed CPMD training with regard to the minimum competency levels prescribed for SCM officials and have been declared competent. Both the Provincial and National Treasury regularly present training courses for SCM practitioners as well as for Bid Committee members. Mogale City always sends delegates to attend these training sessions.

T5.12.1

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2.9 BY LAWS

BY LAWS INTRODUCED DURING THE YEAR					
NEWLY DEVELOPED	REVISED	PUBLIC PARTICIPATION CONDUCTED PRIOR TO ADOPTION OF BY-LAWS (YES/NO)	DATES OF PUBLIC PARTICIPATION	BY LAWS GAZETTED* (YES/NO)	DATE OF PUBLICATION
27 newly developed (2015/2016)		01 due pending advertisement of the notice (2015/2016)	TBA		
11 by-laws due for EXCO presentation					
*Note: See MSA section 13.					T2.9.1

COMMENTS ON BY-LAWS

No new or revised By-Laws we introduced during the year under review.

T2.9.1.1

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2.10. WEBSITES

MUNICIPAL WEBSITE: CONTENT AND CURRENTLY OF MATERIAL		
Document and Published on the Municipality's / entity's Website	<Yes/No>	Publishing date
Current annual and adjustments budgets and all budget-related documents	Yes	Different Dates -Adjustment budget 07 March 2016 Approved budget 2015/16 02 June 2015 Draft Budget 2016/17 11 April 2016 Policies (Annexures) 11 April 2016
All current budget-related policies	Yes	Different Dates
The previous annual report (2014/15)	Yes	11 August 2015
Annual report (2015/16) published/to be published.	Yes	31 August 2016 Draft
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act(2015/16) and resulting scorecards	Yes	11 August 2015
All service delivery agreements(2015/16)	No	Not Submitted
All long term borrowing contracts(2015/16)	No	Only policy submitted on 11 April 2016
All supply chain management contracts above a prescribed value(give value) for 2015/16	Yes	13 October 15 7 January 16 4 April 16
An information statements containing a list of assets over a prescribed value that have been disposed of in terms of section 14(2) or (4) during 2015/16	Yes	Date not Captured
Contracts agreed in 2015/16 to which subsection(1) of section 33 apply, subject to subsection (3) of that section	No	Not Submitted
Public Private partnerships agreements to referred to in section120 made in 2015/16	No	Not Submitted
All quarterly report tabled in Council in terms of section 52(d) during 2015/16	Yes	Different Dates
Note: MFMA s75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments		

T2.10.1

Chapter 2

COMMENT ON MUNICIPAL CONTENT AND ACCESS:

A lot of progress has been made in the 2015/2016 financial year, with regard to communicating the municipality's service delivery progress and any new developments through the website and monthly municipal newspaper "Dikgang-tsa-Mogale", which is delivered free of charge to communities within the borders of Mogale City. The municipality also monitored the use of its website by the public through google analytics, for example, by measuring the number of hits on the website.

Records (emails, monthly and quarterly reports) are kept to monitor all municipal documents placed in the website. Departments were also reminded through emails to submitted documents in time for records purposes and for consistency.

The municipality acknowledges that not all documents as prescribed by Section 75 of the MFMA were placed on the website. In the financial year 2016/2017, an attempt will be made to adhere to the MFMA guidelines and checklist to ensure that the Municipality complies by sending relevant departments requests for the information

T2.10.1.1

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2.11. PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFACTION LEVELS

The purpose of conducting a Public Satisfaction Survey is to gain insight into the level of satisfaction that stakeholders have with the Municipality. The results thereof afford the Municipality an opportunity to self-reflect on its strengths and weaknesses, and grant a prospect for growth and reinforcing the Municipality's strengths. It also serve as an early warning system and may assist in driving policy changes.

T2.11.1

SATISFACTION- SURVEY UNDERTAKEN DURING 2015/16 FINANCIAL YEAR**				
Subject matter of survey	Survey method	Survey date	No. of people included in survey	Survey resulting indicating Satisfaction or better (%)*
Overall satisfaction with:				
(a) Municipality	N/A	N/A	0	0%
(b) Municipal Service delivery	N/A	N/A	0	0%
(c) Mayor	N/A	N/A	0	0%
Satisfaction with:				
(a) Refuse collection	N/A	N/A	0	0%
(b) Roads maintenance	N/A	N/A	0	0%
(c) Electricity supply	N/A	N/A	0	0%
(d) Water Supply	N/A	N/A	0	0%
(e) Sanitation	N/A	N/A	0	0%
(f) Information supplied by the municipality on municipal affairs	N/A	N/A	0	0%
*The percentage indicates the proportion of those surveyed that believe that relevant performance was at least satisfactory **Note that the MCLM did not conduct a satisfaction survey during the current financial year(2015/2016)				T2.11.2

Chapter 2

CONCERNING T2.11.2

The key purpose of the public satisfaction Survey conducted within the Municipality was to determine the awareness on the municipal services and projects. A survey compares the level of satisfaction of the local communities with the level of service delivery.

T2.11.2.1

COMMENT ON SATISFACTION LEVELS:

For the year under review the municipality did not conduct any public satisfaction surveys. The Municipality does recognise the importance of a public satisfaction survey. The survey will be conducted in the financial year 2016/2017.

T2.11.2.2

INTRODUCTION

On an Annual basis Public Participation sessions are held with the community as per statutory requirement on Public Participation as spelled out in the Constitution and in chapter 7 of the Municipal Systems Act No. 32 of 2000. Public Participation is an important tool that is used to build local capacity and self-reliance, and also to justify the extension of the power of the state. It is also used as an open, accountable process through which individuals and groups within communities can exchange views and influence decision-making, as this includes gaining insight into what the community needs are. These would then be prioritized to ensure that they are included in the Municipal Budget as well as in the Service Delivery and Budget Implementation Plan (SDBIP).

The Service Delivery and Budget Implementation Plan (SDBIP) of the Municipality gives effect to the Municipal Integrated Development Plan (IDP) and Budget of the municipality. The budget gives effect to the strategic priorities of the municipality and is not a management or implementation plan. The SDBIP therefore serves as a contract between the Administration, Council and Community expressing the goals and objectives set by the council as quantifiable outcomes that can be implemented by the administration over a period of twelve months. This provides the basis for measuring performance in service delivery against end of-year targets and implementing the budget.

The Municipality endeavours to ensure that Service Delivery is extended to all communities of Mogale City, and has also outlined the following as its Core Business Values: **Integrity, Accountable, Diligent, Considerate, Participative and Responsive**. The political priorities outlined for administration to implement in Mogale City, which found expression in the Municipal IDP and the Strategic Plan, are as follows:

- To provide sustainable services to the community
- To promote a sustainable environmental management system
- To provide sustainable governance for local communities
- To ensure sustainable governance practices within the Municipality

The above stated assists the Municipality in ensuring that quality service delivery is implemented in a transparent manner with accountability as the driver. It is the mandate of the following Municipal Departments to ensure that the afore-stated is realized.

The Infrastructure Services Department in terms of the Municipal 2014-19 Strategic Plan is responsible to undertake the following within the City:

• Water Services

Provision of water services to the Community and Business within the Municipal area through:

1. Potable water to customers connected to the distribution network
2. Piped water within 100m of household dwellings in informal settlements, which is well within the basic services minimum requirements.

• Sanitation Services

This mandate is carried out the two following ways:

1. Water borne sanitation to households that are connected to the Municipal sewer network;
2. The provision of chemical toilets to communities that reside within informal settlement areas.

• Electricity Services

The department ensures the provision of electricity to consumers in terms of the Municipal Electricity License and various NERSA regulations. The department also ensures the expansion and maintenance of the electricity distribution network so as to maintain firm and regulated quality of supply through the network. The department further provides high mast lights to informal settlements.

• Roads and Storm water

Ensures the provision of new paved roads with accompanying storm water drainage network and the maintenance of existing road network, both paved and gravelled.

The Department of Social Services consists of four major divisions, namely;

Social Upliftment

Social Upliftment consists of Social Work services and multipurpose centers wherein government and non-government services are made accessible. This division's focus is on meeting the needs of the poor, the disabled, women, children and the youth.

• Sport, Arts, Culture and Recreation

Sport, Arts Culture and Recreation focuses on the areas as per name content. Included in Sport, Arts, Culture and Recreation are Library and Information Services which facilitate access to information in electronic or print format. The area of Sport focuses on both competitive and recreational sport while Heritage, Arts and Culture are about promotion and preservation of the local heritage, plus arts and culture activities.

• Traffic and Security

Traffic and Security sections function as per name content. The Traffic functions has various sub-activities in the form of Traffic law enforcement, By-law Enforcement and Traffic administration wherein all traffic related transaction and fines are handled. Security involves security of municipal assets and employees.

• Motor-vehicle and driver licensing and testing

Motor-vehicle and driver licensing and testing involves management of applications for learner and driver licenses, applications for professional driver permits, Instructor certificates, applications for vehicle roadworthiness tests, registration of new and used vehicles, applications for change of motor-vehicle ownership, applications renewal of driver licenses, applications for special and temporary permits, weighbridge services and conversion of foreign driver licenses.

COMPONENT A: BASIC SERVICES

This component includes: water; waste water (sanitation); electricity; waste management; and housing services; and a summary of free basic services.

3.1. WATER PROVISION

INTRODUCTION TO WATER PROVISION

Note: Recent legislation includes the Water Services Act 1997 and the General Enabling Act 2005

3.1 Introduction to Water Provision

Mogale City is both the Water Services Authority (WSA) and Water Services Provider (WSP) for areas under its jurisdiction. The municipality has contracted Rand Water & Johannesburg Water as its Bulk Water Services Provider

Mogale City Local Municipality has its own laboratory where water quality testing is conducted. The municipality also conducts tests of water boreholes in rural areas to ensure that water quality complies with the drinking water standards. Water is reticulated by Mogale City to all consumers and they are equipped with water meters both conventional and prepaid water.

The Municipality had reported that approximately 11,000 households did not have direct access to potable water and sanitation services. These households are found in informal areas and some rural areas. The municipality has made strides in reducing the number of these households without adequate access to basic services.

Reduction of Water Backlogs

In terms of water, the Municipality successfully installed a total of 6,5km of pipe network which was funded through the Municipal Water Infrastructure Grant (MWIG) of the Department of Water and Sanitation to a tune of R7, 5million. Through this grant the municipality has been able to reduce the use of water tankers to some informal settlements by installing 30 communal prepaid water standpipes and procured 500 tokens which will be distributed to nearby households. The same project will reduce the communities' walking distances to the nearest stand pipes to below 200m.

From this programme, Tarlton and Orient Hills has been given access to water network and more areas will be prioritized in the new financial year.

CHAPTER 3

Challenges

Whilst major gains are being made in addressing some infrastructure backlogs, the Department continues to face challenges which include:-

- The ageing infrastructure resulting to increase water losses. Increasing demand for infrastructure services due to growth in the area. Limited capital funding making it difficult to meet the demand.

- The ageing skilled workforce resulting in vacancies. Non-functional water meters and bypassing

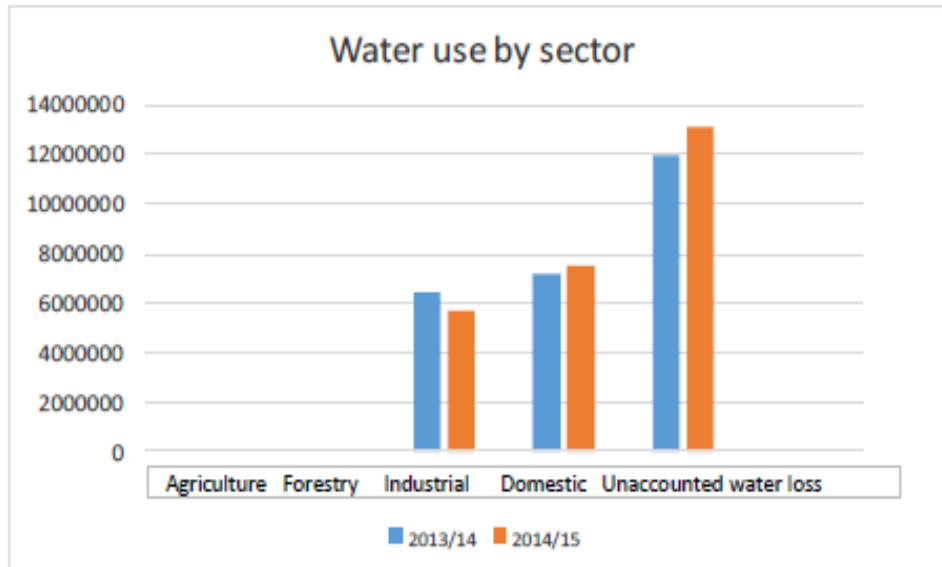
meters.

- Malicious damage to municipal property. Illegal water connections. High number of vacancies which results in overtime and long lead turn-around time in responding to customer queries.

- Insufficient tools and resources such as vehicles which makes it impossible to attend to call outs on an urgent basis.

T3.1.1

Total Use of Water by Sector (cubic meters)					
	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
2013/14	—	—	6,457,925,13	7,217,462,00	12,010,057,15
2014/15	—	—	5,656,703.00	7,512,468.00	13,169,171.00
2015/16	—	—		7 709,849.42	11 240,224.76
					T3.1.2



T3.1.2.1

COMMENT ON WATER USE BY SECTOR

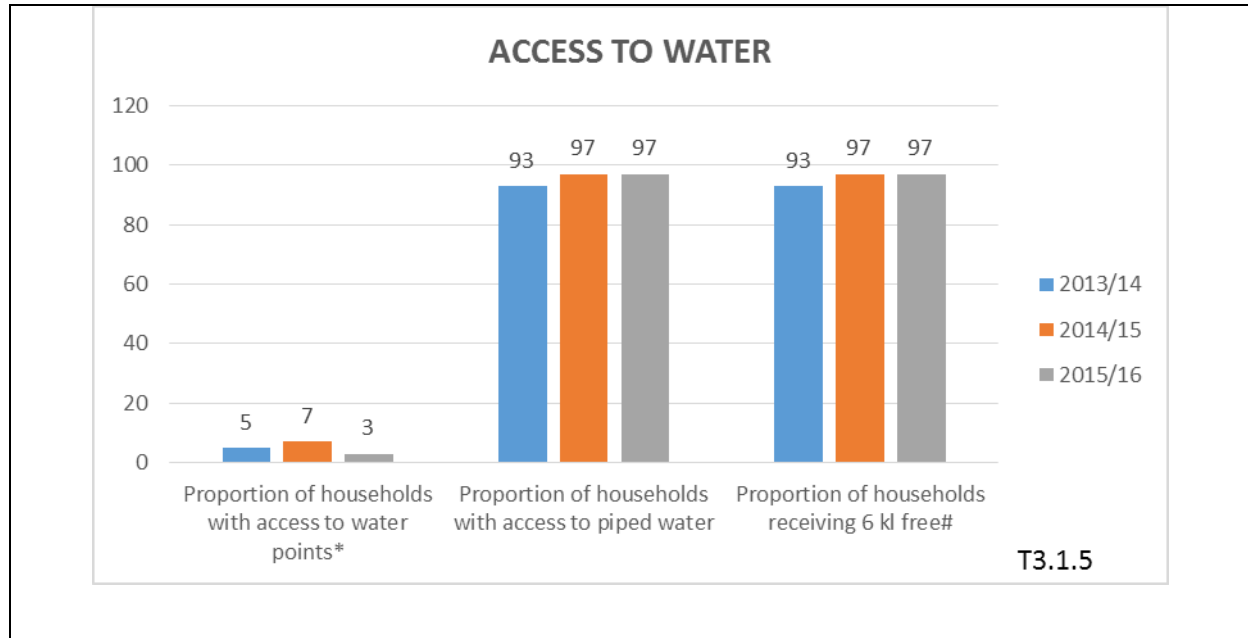
Mogale City service areas consists of Industrial/Commercial, Domestic, Rural, Agricultural and Informal areas. The figures for Agriculture, falls under the figures for other. Domestic areas in Mogale City are all metered and Mogale City is currently busy with a project to replace all conventional water meters with prepaid water meters. Rural areas in Mogale City are mostly supplied by water tankers, while some of the areas are supplied through water reticulation systems.

T3.1.2.2

Water Network Delivery Levels				
Description	2012/13	2013/14	2014/15`	2015/16
	Outcome	Outcome	Outcome	Actual
<u>Water:</u> (above minimum level)				
Piped water inside dwelling (Account Holders)	58,981	64,283	69,649	64,283
Piped water inside yard (but not in dwelling)	38,274	38,116	39,898	38,116
Using public tap (stand pipes)	4,464	7,020	10,220	7,020
Other water supply (within 200m)	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>	101,719	109,419	119,767	109,419
<i>Minimum Service Level and Above Percentage</i>	95%	93%	95%	93%
<u>Water:</u> (below minimum level)				
Using public tap (more than 200m from dwelling)	–	4,500	4,500	4,500
Other water supply (more than 200m from dwelling)	1,309	–	–	–
No water supply	3,613	3,454	1,488	3,454
Households below Minimum Service Level sub-total	4,922	7,954	5,988	7,954
<i>Proportion of households below Minimum Service Level</i>	5%	7%	5%	7%
Note : Total number of households*	106,641	117,373	119,767	117,373
*To include informal settlements	T3.1.3			

CHAPTER 3

Households Water Service Delivery levels below the minimum						
Households						
Description	2013/14	2014/15	2015/16	2015/16		
	Actual No.	Actual No.	Actual No.	Original budget No.	Adjusted Budget No.	Actual No.
Formal Settlements						
Total Households	86,319	86,319	86,319			
Households below minimum service level	0	0	73%			
Proportion of households below minimum service level	0%	0%	3%			
Informal settlements						
Total Households	31,054	31,054	31,054			
Households that are below minimum service level	7,954	7,954	0			
Proportion of households below minimum service level	26%	26%	26%			
Note : Means access to 25 litres of portable water per day supplied within 200 mm of a household and with a minimum of 10 litres per minute # 6,000 litres of portable water supplied per formal connection per month.						
						T3.1.4



CHAPTER 3

Water Network Policy Objectives Taken From IDP										
Service Objectives	Outline Service Targets	2014/15		2015/16			2016/17		2017/18	
		Target		Target			Target		Target	
Service Indicators		*Previous Year	*Actual	Previous year	Current Year	*Actual	*Current Year	*Following Year	*Current Year	*Following Year
(i)	(ii)									
Bulk water capacity available versus demand	% of water distribution losses	—	31%	31%	35%	34.8%	40%	40%	40%	40%
	No. of settlements provided with potable water	Potable water delivered to 78 Settlements	Potable water delivered to 97 Settlements	Potable water delivered to 78 settlements	Potable water delivered to 78 settlements	Potable water delivered to 109 settlements	Potable water delivered to 109 settlements	Potable water delivered to 109 Settlements	Potable water delivered to 109 Settlements	Potable water delivered to 109 Settlements
Water quality standards met	% compliance to SANS241 (BLUE DROP)	100%	100%	100%	95%	100%	100%	100%	100%	100%
Water network maintenance planned versus performed	Prepaid water meters Phase 3	13 000	17 742	17 742	100% milestones complete in line with the plan	97.94%	100%	100%	100%	100%
T3.1.6										

CHAPTER 3

Employees: Water and Sanitation Services**					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	1	1	1	0	0%
4 – 6	7	7	6	1	14%
7 – 9	27	33	27	6	18%
10 - 12	28	42	28	14	33%
13 - 15	54	60	54	6	10%
Total	117	157	129	28	18%
<p>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days</p> <p>**Note: Same information as table T3.2.7(water and Sanitation is one division)</p>					

T3.1.7

CHAPTER 3

Capital Expenditure Year 2015/16 Water Services					
R' 000					
Capital Projects	Year 2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	33 401	78 762	83 634	60%	
Krugersdorp West -Water Pipeline replacement		1 500	938	100%	
Krugersdorp & Rietvallei Water Pipeline replacement		4 700	4 391	100%	
Kag Ext 13 Water Pipeline		204	169	100%	
Generators: Reservoirs & Pumpstations		300	286	100%	
Capital: Specialised Equipment		300	102	100%	
Munsieville Reservoir		17	845	100%	
Replacement of Munsieville Proper Water Pipeline		18 690	23 210	100%	
Replacement of steel water		750	1 030	100%	
Office Furniture		24	4	100%	
Rural Water and Sanitation	3 000	13 667	13 614	78%	
Water Demand Management Projects	6 000	4 281	6 218	4%	
Pre-Payment Water Meters Phase 3	12 901	17 054	18 257	29%	
Chief Mogale Bulk Water	2 000	17 275	14 570	86%	
Proteadal Bulk Infrastructure	9 500			#DIV/0!	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					
T 3.1.9					

CHAPTER 3

Financial Performance 2015/16: Water Services					
R'000					
Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(250 297)	(288 256)	(293 526)	(306 929)	6%
Expenditure:					
Employees	27 234	28	31	31 491	100%
Repairs and Maintenance	8 479	6	12	10 687	100%
Other	232 784	295	294 604	299 594	100%
Total Operational Expenditure	268 497	329	337 418	341 772	100%
Net Operational Expenditure	(518 794)	(288 585)	(630 944)	(648 701)	-1
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					
T 3.1.8					

CHAPTER 3

Capital Expenditure Year 2015/16 Water Services					
R' 000					
Capital Projects	Year 2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	33 401	78 762	83 634	60%	
Krugersdorp West -Water Pipeline replacement		1 500	938	100%	
Krugersdorp & Rietvallei Water Pipeline replacement		4 700	4 391	100%	
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Chief Mogale Bulk Water	2 000	17 275	14 570	86%	
Proteadal Bulk Infrastructure	9 500				
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T 3.1.9

COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

The Prepaid Water meter project has commenced and approximately 17,500 meters of out of a total of 36,000 meters were installed. Only one contractor was active on the project, and the second contractor was appointed at the end of the 2014/15 financial year.

The Water Pipeline Replacement projects for Krugersdorp West, Kagiso Ext 13, Krugersdorp / Rietvallei and Munsieville commenced and is scheduled for completion in the 2015/16 financial year.

The Chief Mogale Bulk Water project was handed over in January 2015, and was scheduled for completion in January 2016. The project includes the construction of a reservoir and bulk water pipelines.

The Kenmare water pump station project was implemented. The project includes an addition to the existing pump station building and a new additional water pump.

Combined expenditure for Water and Wastewater Networks was R227. 8 million of a R253. 8 million budget which translate into 95% of the budget. Under expenditure happened due to unavailability of store materials, delayed procurement processes, and limited resources i.e. staff shortages, vehicles and equipment. Water Services capital project expenditure was R81. 9M of budgeted R85. 4M which translate into 98% of the allocated budget. Under expenditure is minimal, because of delayed procurement processes, under performance by contractors etc.

IDP targets could be attained on condition that sufficient budget is available, procurement processes are not delaying projects, and resources including store materials, staff, and vehicles and equipment is available.

Water Network capital project priorities for implementation are the Prepaid Water Meters, Pipeline Replacements for Krugersdorp West (phase 2), Munsieville (phase 2), Kagiso (phase 2), and Mindalore, and Chief Mogale Bulk Water. Insufficient or no budget is available for the Pipeline Replacement projects delayed the implementation of these projects.

T3.1.10

3.2 WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

INTRODUCTION TO SANITATION PROVISION

Mogale City has three wastewater treatment works and these are able to treat approximately 50Megalitres of domestic and industrial sewer on a daily basis. Supporting the Wastewater Treatment Works, the sanitation infrastructure has 12 sewer pump stations located throughout the Municipal area.

Infrastructure has approximately 1700km of bulk sewer network which connects the households and the pump station all the way to the treatment works. The municipality has experience major growth over the years and this growth places demand in the sewer services to be extended and upgraded. The municipality has embarked on a process of developing the new Lindley Wastewater Treatment Works which will address new developing areas within Mogale City.

The municipality has also installed 5,7km Millsite Outfall Bulk Sewer pipeline which will ensure access to sewer services to some of the areas that do not have access including mining houses and new developments. The municipality has successfully completed the construction of a new sewer pump station and the 0,9km gravity sewer and 0,8km pump line to support the Chief Mogale housing development.

Provision of Adequate Sanitation

The municipality continues to make huge strides in providing adequate sanitation to households even those in informal settlements. In this regard, the Infrastructure Services Department has started rolling out the environmentally friendly, odorless toilets (enviro-loo toilets) fully equipped with solar light which makes it easy to access at night. A total of 432 toilets were installed which will ensure that identified households have their own dignified toilet and do not have to share like it's happening in some of the settlements. This program is rolled out as a multi-year project due to funding challenges. In areas where the Municipality is not able to provide the enviro-loo toilets, the municipality continues to provide the chemical toilets which is an outsourced service since the Municipality does not have capacity to render this service in-house. A total of 2450 chemical toilets are provided to all other informal settlements that do not have access to waterborne sewer.

T3.2.1

CHAPTER 3

SANITATION SERVICE STATISTICS

Provision of Enviro-Loo Toilets

Provision of Chemical Toilets

The following settlements are still provided sanitation services through chemical toilets which is outsourced to a service provider on a three year basis:-

NO	Area	Chemical toilets installed	No. Services	Quantity (Total)
1	Rietfontein Village	328	9	2952
2	Nooitgedacht	72	9	648
3	Plot No 7 Elandsfontein	8	9	72
4	Plot No 79 Rietfontein	10	9	90
5	Plot No 163 Rietfontein	8	9	72
6	Plot No 128 Lasens Road	10	9	90
7	Plot No 63 Rietfontein	8	9	72
8	Plot No 140 Rietfontein	16	9	144
9	Plot No 40 Rietfontein	8	9	72
10	Plot No 77 Nootgedacht	8	9	72
11	Plot No 172 Rietfontein	6	9	54
12	Plot No 44 Rietfontein	24	9	216
13	Plot No 185 Lindley	75	9	675
14	Plot No 140 Nooitgedacht	4	9	36
15	Plot No 40 Nooitgedacht	8	9	72
16	Plot No 81 Rietfontein	12	9	108
17	Plot No 189 IQ van Wyks Res	4		36
18	Plot No 62 IQ van Wyks Res	2		18
19	Plot No 42 IQ van Wyks Res	4		36
20	Plot No 43 IQ van Wyks Res	1		9
21	Plot No 69 Driefontein	6		54
22	Plot No 71 Driefontein	6		54
23	Plot No 17 Driefontein	1		9
24	Plot No 35 Driefontein	9		81
25	Plot No 31 Driefontein	4		36
26	Plot No 55 Zwartkops	6		54
27	Plot No 54 Zwartkops	4		36
28	Plot No 63 Lindley	6		54
29	Plot No 40 Lammersmoore	1		9
30	Stynsvlei (Plot 48)	7		63

CHAPTER 3

NO	Area	Chemical toilets installed	No. Services	Quantity (Total)
31	Plot No 46 Driefontein	2		18
32	Plot No 71 Riefontein	2		18
33	Plot No 42 Rietfontein	3		27
34	Plot No 25 Rietfontein	12		108
35	Plot No 80 Rietfontein	2		18
36	Plot No 37 Driefontein	2	9	18
37	Plot No 236 Rietfontein	5	9	45
38	Plot No 130 Lasens Road	5	9	45
39	Plot No 59 IQ Van Wyk Res	4	9	36
40	Rhinocespruit	50	9	450
41	Plot No 60 HoningKlip	2	9	18
42	West Village (Makhulugama)	43	9	387
43	Site Camp, Kagiso	2	9	18
44	Kagiso Hostel	2	9	18
45	Plot No 2 Weltevreden	12	9	108
46	Plot o 80 Weltevreden	6	9	54
47	Lobie Farm Hekpoort	10	9	90
48	Pokolo	6	9	54
49	Dinonyaneng	6	9	54
50	Active Package	10	9	90
51	Joe's Place Inn	8	9	72
52	Dula Park	12	9	108
53	Munsieville (Pangoville)	376	9	3384
54	Munsieville (Horse Shoe)	67	9	603
55	Plot No 114 Honing Klip	3	9	27
56	ZCC Hekpoort	8	9	32
57	Green Hostel	22	9	198
58	Kagiso Hostel	26	9	234
59	New Farm	3	9	27
60	Camel State	9	9	81
61	Vaalbank	23	9	207
62	Orient Hill	50	9	450
63	Smokedown	70	9	630
64	De Klerk	20	9	180
6	Plot No 6, Mogale City	310	9	2790
66	Soul City	195	9	1755
67	Kromdraai	43	9	387
68	Machaina	3	9	27
69	Mavendeng	3	9	27

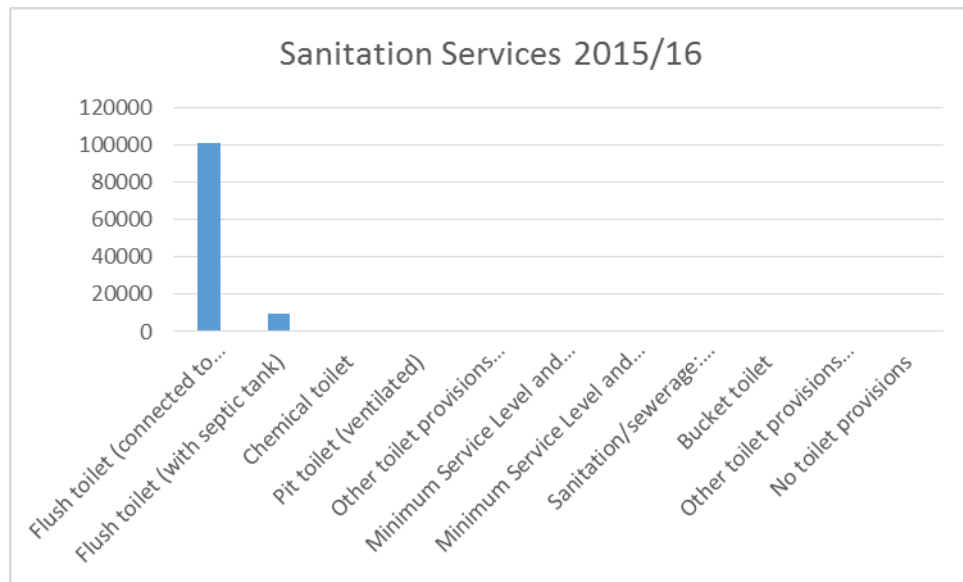
CHAPTER 3

NO	Area	Chemical toilets installed	No. Services	Quantity (Total)
70	Lost Farm	3	9	27
71	Plot No 55 Swartkrain	12	9	108
72	Tarltion Cemertery	4	9	36
73	Agri Park	1	9	9
74	Plot No 69 Kromdraai	4	9	36
		2127	670	17424

NUMBER OF TOILETS CLEANED				
1	Rietfontein Village	328	9	2624
2	Nooitgedacht	72	9	576
3	Plot No 7 Elandsfontein	8	9	64
4	Plot no 79 Rietfontein	10	9	80
5	Plot No 163 Rietfontein	8	9	64
6	Plot No 128 Lasens Road	10	9	80
7	Plot No 63 Rietfontein	8	9	64
8	Plot No 140 Rietfontein	16	9	128
9	Plot No 40 Rietfontein	8	9	64
10	Plot No 77 Nooitgedacht	8	9	64
11	Plot No 172 Rietfontein	6	9	48
12	Plot No 44 Rietfontein	24	9	192
13	Plot No 185 Lindley	75	9	600
14	Plot No 140 Nooitgedacht	4	9	32
15	Plot No 40 Nooitgedacht	8	9	64
16	Plot No 81 Rietfotein	12	9	96
17	Plot No 189 IQ van Wyks Res	4	9	32
18	Plot No 62 IQ van Wyks Res	2	9	16
19	Plot No 42 IQ van Wyk Res	4	9	32
20	Plot No 43 IQ van Wyk Res	1	9	8
21	Plot No 69 Driefontein	6	9	48
22	Plot No 71 Driefontein	6	9	48
23	Plot No 17 Driefontein	1	9	80
24	Plot No 35 Driefontein	9	9	72
25	Plot No 31 Driefontein	4	9	32
26	Plot No 55 Zwartkops	6	9	48
27	Plot No 54 Zwartkops	4	9	32
28	Plot No 63 Lindley	6	9	48
29	Plot No 40 Lammersmoore	1	9	8

CHAPTER 3

NUMBER OF TOILETS CLEANED				
30	Stynvlei (Plot 48)	7	9	56
31	Plot No 46 Driefontein	2	9	16
32	Plot No 71 Rietfontein	2	9	16
33	Plot No 42 Rietfontein	3	9	24
34	Plot No 25 Rietfontein	12	9	96
35	Plot No 80 Rietfontein	2	9	16
36	Plot No 37 Driefontein	2	9	16
37	Plot No 236 Rietfontein	5	9	40
38	Plot No 130 Lasens Road	130	9	40
39	Plot No 59 IQ Van Wyk Res	4	9	32
40	Rhinoespruit	50	9	400
41	Plot No 60 Honing Klip	2	9	16
42	West Village (Makhulugama)	43	9	344
43	Site Camp	2	9	16
44	Kagiso Hostel	2	9	18
45	Plot No 2 Weltevreden	12	9	96
46	Plot No 80 Weltevreden	6	9	48
47	Lobie Farm Hekpoort	10	9	80
		830	423	6717
T3.2.1.1				



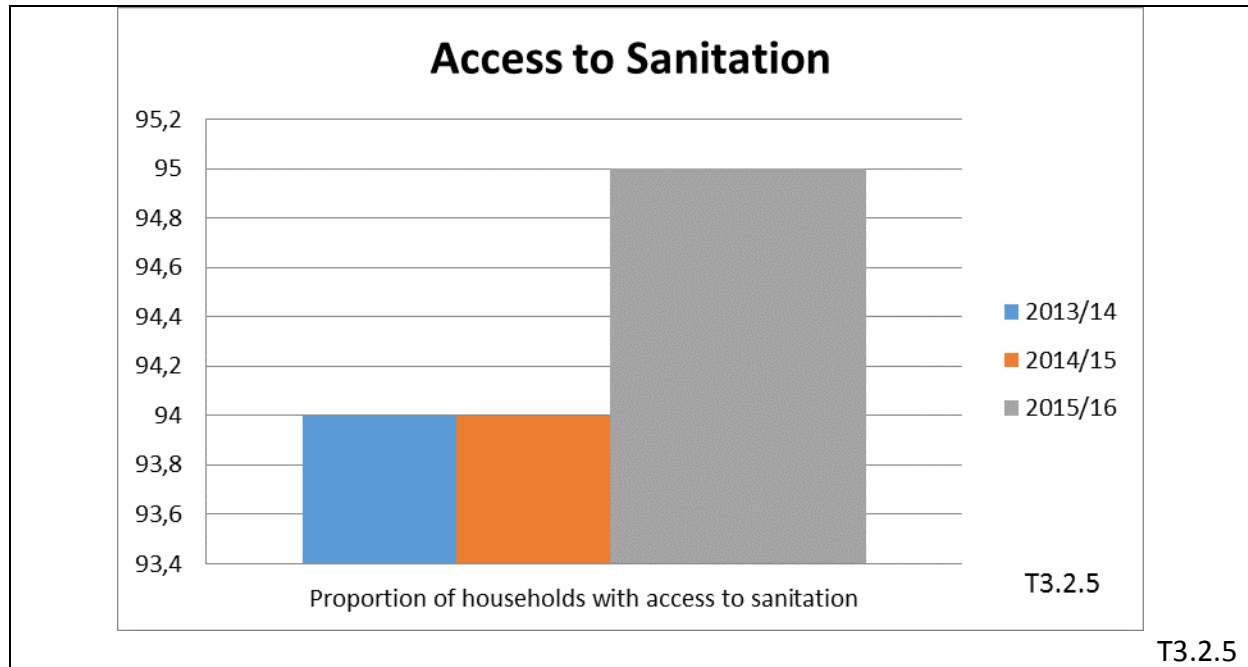
T3.2.2

CHAPTER 3

Sanitation Service Delivery levels						
Description	Nov-10	Dec-11	2012/13	2013/14	2014/15	2015/16
	Outcome	Outcome	Outcome	Outcome	Outcome	Actual No
Sanitation/sewerage: (above minimum level)						
Flush toilet (connected to sewerage)	78,301	124,216	124,716	91,757	101,127	101,127
Flush toilet (with septic tank)	5,141	58,38	58,4	6,781	9,581	9,581
Chemical toilet	394	46,009	46,109	3,43	2020	–
Pit toilet (ventilated)	2,578	–	–	2,755	285	285
Other toilet provisions (above minimum service level)	6,926	88,64	88,74	5,675	185	200
<i>Minimum Service Level and Above sub-total</i>	93,339	317,245	317,965	110,398	113,198	111,193
<i>Minimum Service Level and Above Percentage</i>	98.07%	99.35%	99.66%	94.06%	94.06%	95%
Sanitation/sewerage: (below minimum level)						
Bucket toilet	–	–	–	3,702	3,702	0.00
Other toilet provisions (below minimum service level)	–	–	–	971	971	–
No toilet provisions	1,836	2,085	1,085	2302	2,302	0.00
<i>Below Minimum Service Level sub-total</i>	1,836	2,085	1,085	6,975	6,975	6,18
<i>Below Minimum Service Level Percentage</i>	1.93%	0.65%	0.34%	5.94%	5.94%	6%
Total number of households	95,175	319,33	319,05	117,373	117,373	117,373
*Total number of households including informal settlements						T3.2.3

CHAPTER 3

Households - Sanitation Service Delivery Levels below the minimum				
Households				
Description	2012/13	2013/14	2014/15	2015/16
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
Formal Settlements				
Total households	92,888	86,319	69,649	101,127
Households below minimum service level	0		0	0
Proportion of households below minimum service level	0%	0%	0%	95%
Informal Settlements				
Total households	31,579	31,054	55000	6,180
Households below minimum service level	2,085	1,085	0	6,180
Proportion of households below minimum service level	7%	3%	0%	6%
T3.2.4				



CHAPTER 3

Waste water(Sanitation) Services Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets (ii)	2014/15		2015/16			2016/17	2017/18	
Service Indicators (i)		Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
Physical Infrastructure - Sanitation (urban and rural)									
Rural water and Sanitation`	No. of enviro-odourless toilets provided to informal settlements	Final stage : appointment of a service provider	Service provider appointed May 2015	Final stage : appointment of a service provider	150	550	250	250	250
Portable water provision to informal settlements, rural communities and areas needing water	% completion for the extension of water networks to informal settlements	New target	New target	New target	100% milestones complete in line with the plan	100% milestones complete in line with the plan	-	-	-
New access to sanitation services within minimum standards	No. informal settlements provided with On-Site Dry Sanitation services	On- Site Dry Sanitation services provided to 78 settlements	On -Site Dry Sanitation services provided 76 settlements	On- Site Dry Sanitation services provided to 78 settlements	On- Site Dry Sanitation services provided to 78 settlements	On- Site Dry Sanitation services provided to 75 settlements	Installation of dry system toilets to all settlement currently serviced through chemical toilets	Installation of dry system toilets to all settlement currently serviced through chemical toilets	Installation of dry system toilets to all settlement currently serviced through chemical toilets
Water quality standards met	% compliance with permit and effluent discharge quality standards (Percy	40%	47% Flip Human= 38.5% Magaliesburg= 47.5% Percy Stewart=44.0% asper the Green Drop PAT	Flip Human= 42% Magaliesburg= 37% Percy Stewart 42%	40%	Flip Human= 1.29% Magaliesburg= 59.93% Percy Stewart 51.7%	40%	–	–

CHAPTER 3

	Stewart, Flip Human, Magaliesburg)								
<p>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the 2014/15 Budget/IDP round; *'Current Year' refers to the targets set in the 2015/16 Budget/IDP round. *'Following Year' refers to the targets set in the 2016/17 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</p>									T3.26.6

CHAPTER 3

Employees: Water and Sanitation Services**					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	1	1	1	0	0%
4 – 6	7	7	6	1	14%
7 – 9	27	33	27	6	18%
10 - 12	28	42	28	14	33%
13 - 15	54	60	54	6	10%
Total	117	157	129	28	18%
<p>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days</p> <p>**Note: Same information as table T3.1.7(water and Sanitation is one division)</p>					

T3.2.7

Financial Performance 2015/16: Sanitation Services					
Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(158 543)	(181 883)	(189 052)	(182 312)	0%
Expenditure:					
Employees	22 679	24 791	25 861	20 921	-18%
Repairs and Maintenance	7 405	10 730	16 141	12 778	16%
Other	44 538	77 970	74 333	69 043	-13%
Total Operational Expenditure	74 622	113 491	116 334	102 743	-15%
Net Operational Expenditure	(233 165)	(295 374)	(305 386)	(285 055)	
<p>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</p>					

T 3.2.8

CHAPTER 3

Capital Expenditure Year 2015/16: Sanitation Services					
R' 000					
Capital Projects	Year 2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	23 419	53 330	52 749	56%	
Chief Mogale Bulk Sewer	4 000	14 010	13 475	70%	
Magaliesburg Water Care Works Phase 1	8 412	5 243	5 413	-55%	
Flip Human Water Care Works Phase 2	11 007	13 432	13 690	20%	
Millsite Outfall Sewer		8 449	8 809	100%	
Replacement of Kagiso sewers		3 106	2 685	100%	
Capital: Specialised Equipment		1 789	1 546	100%	
Lindley WWTW Phase 1		3 332	3 332	100%	
Flip-Human Water Care Works Mechanical + Instrument		3 968	3 798	100%	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					<i>T 3.2.8</i>

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:

The Millsite Outfall Sewer construction commenced in April 2015 and is scheduled for completion in December 2015. The project was prioritised to accommodate a new development and existing residential needs in the West Village / Millsite area.

The Replacement of Kagiso Sewer network project concentrated on the upgrade of the Kagiso Hostel and the Lusaka outfall sewer upgrade. Both the projects are scheduled for completion by December 2015.

The Chief Mogale Bulk Sewer project includes the construction of a sewer pump station and outfall sewer. Project was handed over in March 2015 and is scheduled for completion December 2015.

Combined expenditure for Water and Wastewater Networks was R227. 8M of a R253. 8M budget.

Under expenditure was unavoidable due to unavailability of store materials, procurement processes, and limited resources i.e. staff, vehicles and equipment shortages. Wastewater Capital project expenditure was R32. 9M of a R36. 2M budget due to delayed procurement processes, under performance by contractors etc.

T3.2.10

CHAPTER 3

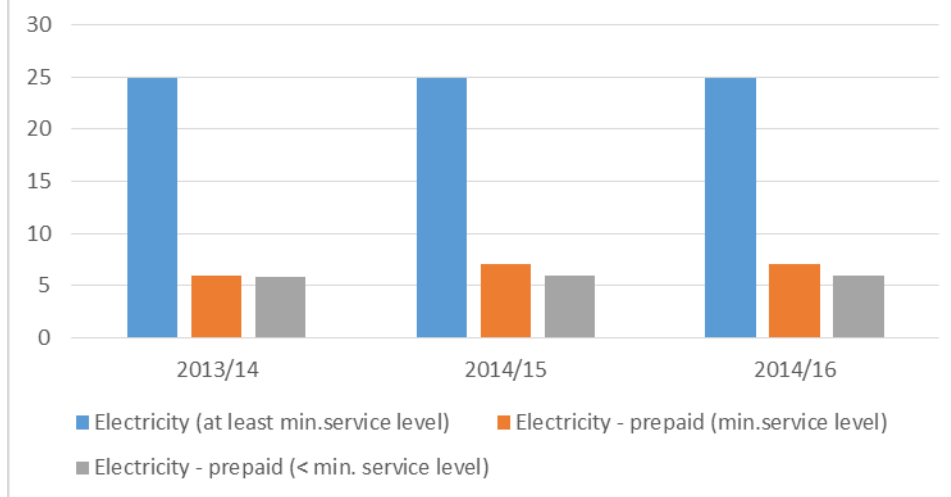
3.3 ELECTRICITY

INTRODUCTION TO ELECTRICITY

The provision of Electricity services to the community of Mogale City is the responsibility of Infrastructure services. The department ensures the provision of electricity to consumers in terms of the Municipal Electricity License and various NERSA regulations. The department also ensures the expansion and maintenance of the electricity distribution network so as to maintain firm and regulated quality of supply through the network. The department further provides high mast lights to informal settlements.

T3.3.1

Electricity 2015/16



T3.3.2

CHAPTER 3

Electricity Service Delivery Levels: Households				
Description	2012/13	2013/14	2014/15	2015/16
	Actual No.	Actual No.	Actual No.	Actual No.
<u>Energy: (above minimum level)</u>				
Electricity (at least min.service level)	24,925	24,925	24,925	24,925
Electricity - prepaid (min.service level)	6,035	6,035	7,077	7,077
<i>Minimum Service Level and Above sub-total</i>	30,960	30,960	32,002	30,002
<i>Minimum Service Level and Above Percentage</i>	84.2%	84.2%	84.2%	84.2%
<u>Energy: (below minimum level)</u>				
Electricity (< min.service level)	0	0		0
Electricity - prepaid (< min. service level)	5,823	5,823	5,99	5,99
Other energy sources	0	0		
<i>Below Minimum Service Level sub-total</i>	5,823	5,823	5,99	5,99
<i>Below Minimum Service Level Percentage</i>	15.8%	15.8%	15,80%	15.80%
Total number of households	36,783	36,783	37,992	37,992
T3.3.3				

Households - Electricity Service Delivery Levels below the minimum						
Description	2012/13	2013/14	2014/15	2015/16		
	Actual No.	Actual No.	Actual No.	Original budget No.	Adjusted Budget No.	Actual No.
Formal Settlements						
Total Households	92,888	86,319	86,319	86,319	86,319	86,319
Households below minimum service level	0	0	0	0	0	0
Proportion of households below minimum service level	0%	0%	0%	0%	0%	0%
Informal settlements						
Total Households	31,579	31,054	31,054	31,054	31,054	31,054
Households that are below minimum service level	3,744	7,954	7,954	7,954	7,954	7,954
Proportion of households below minimum service level	12%	26%	26%	26%	26%	26%
T3.3.4						

CHAPTER 3

Electricity Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets 								

CHAPTER 3

Employees: Electricity Services					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	1	1	1	0	100%
5 – 4	4	5	1	0	100%
6 – 5	4	12	9	6	75%
9 – 8	20	34	26	14	75%
10 – 9	2	11	7	4	85%
12 – 11	14	70	49	21	30%
15 – 13	6	102	57	35	25%
Total	51	235	150	80	64%
<p>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</p>					

T3.3.6

CHAPTER 3

Capital Expenditure Year 2016: Electricity Services					
R' 000					
Capital Projects	Year				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	37 236	42 288	35 700	-4%	
Condale to Boltania New O/H Transmission Line	1 836	236	0	0%	
Munsieville Electricity Smart Grid Project	11 000	17 950	16 814	0%	
Spruit 1x20 MVA Transformer + Substation Upgrade	3 500	3 000	3 018	-16%	
Smart Grid Server		1 000	1 000	100%	
Solar Energy Lighting Project	10 000	1 200	476		
Upgrading of transmission line between factoria & libertas	6 500	100		0%	
Rangeview EXT 2 Electrical Distribution			42	100%	
High & Medium Voltage Operational Capital Spare		1 844	1 187	100%	
Smart Meters in Public Buildings		6 652	6 178	100%	
Electricity Demand Management		1 929	1 536	100%	
Condale/Teddy Niel Substation		353	353	100%	
Computer and Monitors x2		74	31	100%	
k13 Streetlighting	4 400	5 450	4 028	-9%	
Indigent Prepaid Meter Installation		2 500	1 037	100%	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					
T 3.3.7					

CHAPTER 3

Financial Performance 2015/16: Electricity Services					
R'000					
Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(41 663)	(962 963)	(909 083)	(909 079)	-6%
Expenditure:					
Employees	26 366	26 516	14 171	27 946	5%
Repairs and Maintenance	22 766	37 527	8 002	24 612	-52%
Other	586 268	718 111	1 266 184	715 612	0%
Total Operational Expenditure	635 401	782 154	1 288 356	768 170	-2%
Net Operational Expenditure	(645 158)	(1 745 117)	(2 197 440)	(1 677 248)	-4%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					
T 3.3.8					

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

SPRUIT SUBSTATION UPGRADE: The upgrading of the Spruit Substation which comprises of 20MVA transformer bay capacity and associated switchgear and control gear .The existing supply capacity is used to its optimum and power failures are more likely to occur and must be upgraded to make sufficient capacity available to the Wildtuin Park and Heritage Manor developments in order to provide a quality of supply to all consumers in this area and for future developments. The total approved Budget 2015/16 is R3,500 000. The estimated capital cost of the project is R21 500 000.

UPGRADING OF TRANSMISSION LINE BETWEEN FACTORIA AND LIBERTAS: The firm supply is utilized at its optimal capacity and power failures are more likely to occur as the supply is on single feeder. The installation of an additional 33kV line is essential to provide a firm supply as well as to provide complete ring between four major substations. The total approved Budget 2015/16 is R6500 000. The estimated capital cost of the project is R66 000 000.

CONDALE TO BOLTONIA NEW O/H TRANSMISSION LINE: With all the new developments, the supply is utilized at its optimal capacity and power failures are likely to occur. The installation of new transmission line will provide more capacity and a quality of supply. The upgrade operates hand in hand with the Spruit substation. The total approved Budget 2015/16 is R18 36071. The estimated capital cost of the project is R35 000 000.

T3.3.9

3.4 WASTE MANAGEMENT

INTRODUCTION TO WASTE MANAGEMENT

The municipality has been strengthening waste management operations with main emphasis on waste collection and removal as well as embarking on recycling initiatives throughout the city.

Waste Management Operations: Waste Collection and Removal

Two service providers have since been appointed from April 2015 to render waste collection and removal. With the appointment of these two service providers sufficient capacity has been established to enable the municipality to easily take up any new developments in these areas.

Region A

Municipal fleet render waste collection in eastern part which is highly populated and well developed from the access point of view.

Region B

Contracted service providers with about 52 500 service points. Divided between two service providers on 22 000 and 30 500 split between the two service providers. The 22 000 are all within Kagiso and are deploying 19m³ refuse compactors. The 30 500 are to be found in Rietvallie 2 & 3, Rietvallie, Munsieville, Krugersdorp CBD, Muldersdrift, Hekpoort, Tarlton, and Magaliesburg. The 22m³ refuse compactors are deployed in these areas.

Bulk Containers System

This is meant to be first level of service to communities with no internal road network. The bulk service is rendering service to business and the informal settlements with fewer stock dedicated for rental or leasing. The Division identified savings and proposed during budget adjustment that an amount of R1 000 000-00 be allocated to procurement of skips. 46x skip containers were purchased which will all be reserved for un-serviced areas.

Waste Minimisation Plan

Recycling Projects in MCLM

Waste Act 59 of 2008 is an instrument to enforce, promote and encourage reduction of waste generation and to significantly reduce the waste transported to waste disposal sites. All government departments and institutions are expected to embark on various initiatives on minimisation and recycling.

DIEM has decided to introduce sorting and separation at source as a strategy towards waste minimisation and recycling. It is worth mentioning that though municipality is not going to earn revenue through collection from these centres any longer however the sorting centres have a potential to create more sustainable jobs and reduce significantly the waste to be handled at waste disposal facility. The sorting centres create environmental awareness in communities where they exist and encourage others to separate their waste. These centres are also used as reference point to encourage others to practice separation at source. All these efforts are meant to protect the environment and future generations from pollution associated with waste disposal.

GDARD has taken the recycling of waste as an important project which must be implemented by all municipalities in Gauteng. As a direct respond to this provincial programme DIEM has begun process of introducing sorting centres in main shopping centres that were identified as pilot sites and they include the following;

- President Square
- Key West Mall
- Cradlestone Mall

- Silver Star Casino

It is important to emphasise that recycling is meant to minimise generation whose end result is to significantly reduce the waste that ends up at the landfill sites consequently bring the need for landfill sites to minimum, whilst at the same time reducing collection and transportation costs. The project is meant to minimise generation of waste by reducing the number of refuse bins to be removed or collected thus cut on the frequency of collection and removal of waste. Therefore it is the intention of the Department to intensify similar initiative in line with national targets by enrolling more business centres in Mogale City.

The other aspect of this project has been to register all recycling centres in MCLM. Currently the following recycling centres are registered;

- Prestige
- Kagiso
- Van Bondis
- CBD

These centres obtain recyclables from individual reclaimers or trolley pushers who bring their recyclables on trolleys to their preferred facility for selling or encashing the recyclable waste.

Reclaimers at Luipaardsvlei Landfill Site are registered and there are about 200 in total. In Magaliesburg, there is also a smaller number of reclaimers.

In these sorting centres waste is accepted from all the tenants or establishments and separated into various recyclables. This process result in very small and negligible quantities which need to be disposed of at the landfill site. This is the reason why President Square, Key West Mall, Heritage Shopping Centre and Silver Star Casino had to cancel municipal refuse collection and removal services. While this means reduced revenue for the municipality that must be seen and considered together with high costs of refuse collection which includes high labour costs, ever escalating costs of fuel as well as fleet operational costs including landfill management.

Waste Transporters' Registration

Up until the appointment of private refuse collection contractors the municipality did not have capacity to accommodate additional waste collection and removal services hence the body corporates were given the permission by the municipality to appoint their own refuse collection contractors. This is not a desirable situation and was addressed and brought under control though the policy instrument being the policy on Registration and Licensing of Service providers and Transporters of Waste in MCLM. The policy became enforceable in 2013 and since its inception 230 waste transporters have been registered. It is estimated that this new stream of revenue generates about R1,3m annually with the potential to grow on annual basis. The main focus of this policy initially was the body corporates whose waste collection was transported by their appointed refuse contractors. However the focus has since shifted to include all companies transporting waste within MCLM.

Landfill Management

Luipaardsvlei Landfill Site is located to the south of Krugersdorp CBD and is approximately 1 700m above mean seal level. The site is primarily utilized by MCLM for disposal of waste collected within its area of jurisdiction. The site is located in an impaired or environmental degraded area between tailings dam to the east and sand dump and rock dump to the west and north. The existing residential and industrial areas are located 2km and 800m respectively from the site.

In 2008 MCLM implemented a strategy with following elements;

- Rehabilitation
- Expansion of landfill site

- Waste to Energy

Expansion of Landfill

The municipality has secured portion of land for expansion of the current landfill in an effort to increase the current available airspace. The plan is to construct a series of cell developments on this portion of land. One cell has already been constructed and used. Since this was a smaller cell it has already been used and filled up. The construction of the second cell was completed November 2015 for the contract value of about R14,5million.

Waste to Energy

The Government of RSA through Department of Environmental Affairs is promoting alternative to landfilling method as waste disposal method but for other technologies to be considered.

In respond to national call for municipalities to move away from landfilling to other more environmentally cleaner waste management technologies.

MCLM signed an agreement with Blue Waste to Energy (PTY) LTD to implement waste to energy project that will convert waste into energy.

The municipality has already secured long term lease with the land owners to ensure that the agreement is successful.

Street Sweeping and Litter Picking

Street Sweeping and Litter Picking is an integral part of waste management. Street sweeping and litter picking services are utilized to keep the CBD, main streets and public open spaces clean.

Street Sweeping and Litter Picking in MCLM include the day shift and night shift. The day shift is deployed in the CBD throughout the seven days of the week (weekends and public holidays included). There was also a small road sweeper which has since been auctioned as conscious decision to support job creation by removing the mechanized street sweeping and allow manual labour to sweep the streets.

In 2014/15 when the municipality decided to utilize labour intensive methods to render Street Sweeping and Litter Picking and create more jobs. Cooperatives were introduced in July 2014. The use of cooperatives has been very effective and has created new opportunities for the municipality to consider. The Department has realized the potential of the cooperatives to improve the street sweeping and litter picking as well as to reduce overtime.

Currently street sweeping and litter picking is organized into nightshift and dayshift. The dayshift generate significant overtime on weekends and public holidays. Whilst on the other hand the nightshift has serious inherent challenges ranging from security measures for the employees and vehicles in use at night, night shift allowance, provision of appropriate transport to take employees to their place of stay at night. All these demand that the budget be significantly increased for the nightshift.

DIEM has considered the option of utilizing the cooperatives to render evening street sweeping and litter picking. The option has indeed been very effective. This has been tried and is still in place and giving very impressive results.

The only potential threat for this approach associated with cooperatives is whether going forward the municipality continue to allocate sufficient budget to sustain the cooperatives, otherwise this option appear highly suitable and appropriate and should fulfill adequately street sweeping and litter picking operational requirements at lower cost than would be the case with municipal staff.

T3.4.1

CHAPTER 3

Solid Waste Service Delivery Levels					
Description	2011/12	2012/13	2013/14	2014/15	2015/16
	Outcome	Outcome	Outcome	Actual No.	Actual No.
<u>Solid Waste Removal:</u> (minimum level)					
Removed at least once a week	79,650	81,500	93,488	110 500	115 000
<i>Minimum Service Level and Above sub-total</i>	79,650	81,500	93,488	110 500	115 000
<i>Minimum Service Level and Above Percentage</i>	100.00%	100.00%	79.65%		93%
<u>Solid Waste Removal:</u> (below minimum level)					
Removed less frequently than once a week			2,159	8500	8950
Using communal refuse dump	–	–	3,091	-	-
Using own refuse dump	–	–	13,720	-	-
Other rubbish disposal	–	–	824	-	-
No rubbish disposal	–	–	4,091	-	-
<i>Below Minimum Service Level sub-total</i>	–	–	23,885	8 500	8 950
<i>Below Minimum Service Level Percentage</i>	0%	0%	20.35%		7%
Total number of households	79,650	81,500	117,373	119 000	123 950
*Total number of households including informal settlements					

T3.4.2

Households - Solid Waste Service Delivery Levels below the minimum				
Description	2012/13	2013/14	2014/15	Households 2015/16
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
Formal Settlements				
Total households	92,888	86,319	102 500	105 000
Households below minimum service level		0		
Proportion of households below minimum service level	0%	0%		
Informal Settlements				
Total households	31,579	31,054	7 100	8 950
Households below minimum service level	0	23,885		
Proportion of households below minimum service level	0%	77%		

T3.4.3

CHAPTER 3

Solid Waste Management Service Policy Objectives Taken From IDP									
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	2014/15		2015/16			2016/17	2017/18	
		Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
Integrated Environmental Management - Municipal Health									
Waste Management services planned versus provided	No. of cooperative contracted to execute work	5	4	4	5	4	4	4	4
	No. of EPWP jobs created.	209	562	190	549	303	100 cumulative	–	–
<p>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the 2014/15 Budget/IDP round; *'Current Year' refers to the targets set in the 2015/16 Budget/IDP round. *'Following Year' refers to the targets set in the 2016/17 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</p>									
T3.4.4									

CHAPTER 3

Employees: Solid Waste and other services					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	1	1	1	-	100%
4 – 6	4	3	3	-	100%
7 – 9	5	6	3	3	50%
10 – 12	35	35	29	6	83%
13 – 15	169	169	104	65	62%
Total	214	214	140	74	65%
Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.					
					T3.4.5

Employees: Waste Disposal and other services					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	1	1	1	-	100%
4 – 6	3	3	3	-	100%
7 – 9	3	6	3	3	50%
10 – 12	29	35	29	6	83%
13 – 15	136	169	104	65	62%
Total	172	214	140	74	65%
Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.					
					T3.4.6

CHAPTER 3

Financial Performance 2015/16: Waste Disposal and Other Services					
R'000					
Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(167 271)	(209 304)	(180 268)	(180 268)	-16%
Expenditure:					
Employees	37 332	44 491	38 387	38 042	-17%
Repairs and Maintenance	495	367	248	248	-48%
Other	93 062	104 112	103 223	104 232	0%
Total Operational Expenditure	130 889	148 970	141 859	142 522	-65%
Net Operational Expenditure	(298 160)	(358 274)	(322 127)	(322 790)	48%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					
T 3.4.8					

Capital Expenditure Year 2016: Waste Management Services					
R' 000					
Capital Projects	Year 2016				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	11 260	8 960	8 921	-26%	
Luipaardsvlei Landfill Site Phase 4	11 260	7 960	8 046	-40%	
Skip Bins		1 000	875	100%	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					
T 3.4.9					

CHAPTER 3

COMMENT ON WASTE MANGEMENT SERVICE PERFORMANCE OVERALL:

The municipality has managed to improve significantly on waste collection and this is seen in particular in waste collection where all formal housing settlements within MCLM are receiving once a week refuse collection from the municipality. This was achieved through operational budget projects where private sector was brought in as service providers for waste collection this has increased significantly the ability to render waste collection. As a matter of fact, this was the major project for the waste management as it has all to do with ensuring quality of service to the community is of acceptable and high standard with no backlog.

The projects that were undertaken in waste management under capital projects included development of a new cell which was completed within the timeframe and the budget. Furthermore other projects were the purchase of skip containers, fencing of the landfill which were completed on time within the allocated budget.

T3.4.10

3.5 HOUSING (HUMAN SETTLEMENT AND RURAL DEVELOPMENT)

INTRODUCTION TO HOUSING (HUMAN SETTLEMENT AND RURAL DEVELOPMENT)

Post the 2011 Local Government election political objectives were expressed by Mogale City L.M. through the Strategic objectives of 2006- 2013, amended as 2011 to 2017. The Strategic objectives intend to set a programme in motion for the five-year IDP programme and the annual reviews. The strategic objectives further outlined service delivery and infrastructure development, human settlements, local economic development, social services, rural development and environmental sustainability. In collaboration with other spheres of government, the city has initiated key service delivery priorities to unlock Human Settlements and Rural Development delivery:

- Integrated housing delivery
- Rural housing delivery
- Provision of Site and Services programme
- Comprehensive Rural Development Programme (CRDP)

During this financial the cities can attribute its successes through the conceptualisation and implementation of the Integrated Housing delivery (Chief Mogale and Leratong Node development), decision to relocate the Tudor Shaft/ Soul City informal settlement to a habitable land and to give attention the rural housing. In pursuit of the latter, our main challenge has been our ability to delivery housing effectively to meet our target, hence a called to apply for municipal accreditation.

The National Housing Code further states that every Municipality, as part of its process of Integrated Development Planning “must take all reasonable and necessary steps within the framework of national and provincial housing legislation and policy to ensure that the constitutional right to have access to adequate housing is realized on a progressive basis”. In order to fulfil its role, every municipality must carry out the following housing related functions:

a) Housing delivery goals:

Set housing delivery goals in respect of its area of jurisdiction

b) Identify land for housing:

Identify and designate land for housing development

c) Housing development:

Initiate, plan, co-ordinate, facilitate, promote and enable housing development in its area of jurisdiction.

Although the CRDP is aimed at poverty eradication, its main focus still remains the rural areas where the

support base is poor and under resourced. The Comprehensive Rural Development Programme (CRDP) is strategic priority number 3 within the National Government's current Medium Term Strategic Framework (MTSF) and implemented under Outcome 7 which strives for *Vibrant, Equitable, Sustainable Rural Communities and Food Security for all*.

The vision of the CRDP is in creating vibrant, equitable and sustainable rural communities with food security for all through a three-pronged strategy based on:

- a coordinated and integrated broad-based agrarian transformation;
- strategically increasing rural development; and
- an improved land reform programme

T3.5.1

Percentage of households with access to basic housing					
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements	Households in informal settlements	Percentage of HHs in informal settlements
2013/14	117,373	86,319	73.5%	31 054	26.5%
2014/15	117, 762	86, 558	73.5%	31 204	26.5%
2015/16	118 562	87 058	73.5%	31 804	26.5%

T3.5.2

CHAPTER 3

3.5.3 Housing(Human Settlement and Rural Development) Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets <								

T3.5.3

CHAPTER 3

Employees: Housing Services(Human Settlement and Rural Development)					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	1	1	1	0	0%
4 – 6	6	16	6	10	63%
7 - 9	3	16	3	13	81%
10 - 12	2	7	2	5	71%
13 - 15	0	0	0	0	0%
Total	12	41	12	29	71%
<p>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</p>					

T3.5.4

CHAPTER 3

Financial Performance 2015/16: Housing Services					
R'000					
Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(2 066)	(50 059)	(50 054)	(50 051)	-0,02%
Expenditure:					
Employees	7 775	6 863	7 664	8 750	21,57%
Repairs and Maintenance					
Other	537	2 323	5 794	5 802	59,97%
Total Operational Expenditure	8 312	9 186	13 458	14 553	81,54%
Net Operational Expenditure	(10 379)	(59 245)	(63 511)	(64 603)	-81,56%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					<i>T 3.5.5</i>

COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL

It is worth noting that MCLM is not an implementing agency for housing delivery. The city relies on the Provincial Housing Department to support and fund delivery of housing as per their constitutional mandate. However, for the city to plan and implement these programmes / project itself, it is highly recommended that the city applies for the Housing Accreditation as the means to direct and control impact of housing delivery.

1. Studies (Geotechnical, EIA, Town Planning, Heritage Impact Assessment and Dolomite)

The term municipal commonage is traditionally given to land, owned by a municipality or local authority that was usually acquired through state grants. It differs from other municipally owned land in that residents have access to practice agriculture on the land, or the land is granted expressly to benefit needy local inhabitants. Municipal commonage is not the same as communally owned land held in trust by the state and usually occupied and administered by the municipality. Municipal commonage provides opportunities for land reform, local economic development, skills development and entrepreneurship and managed by an institution established the municipality. Access to commonage to local residents who wish to supplement their incomes, could help address local economic development and provide an inexpensive land reform option.

2. Disaster Management Emergency Relief Interventions

Municipality provides relief to the residents exposed to various forms of disasters and evictions by offering alternative accommodation with basic services. Five Emergency Site and Services have been established throughout the city to give to the affected households.

3. Comprehensive Rural Development Programme

The CRDP is aimed at being an effective response against poverty and food insecurity by maximizing the use and management of natural resources to create vibrant, equitable and sustainable rural communities. CRDDP must improve the standards of living and welfare but also rectify past injustices through rights based interventions and address skewed patterns of distribution and ownership of wealth and assets. The strategic objective of the CRDP is therefore to facilitate integrated development and social cohesion through participatory approaches in partnership with all sectors of society. Ward 32 of MCLM has been identified as one of the four (4) pilot sites in Gauteng Province. Six (6) community projects were established and funded by all Spheres of government.

T3.5.7

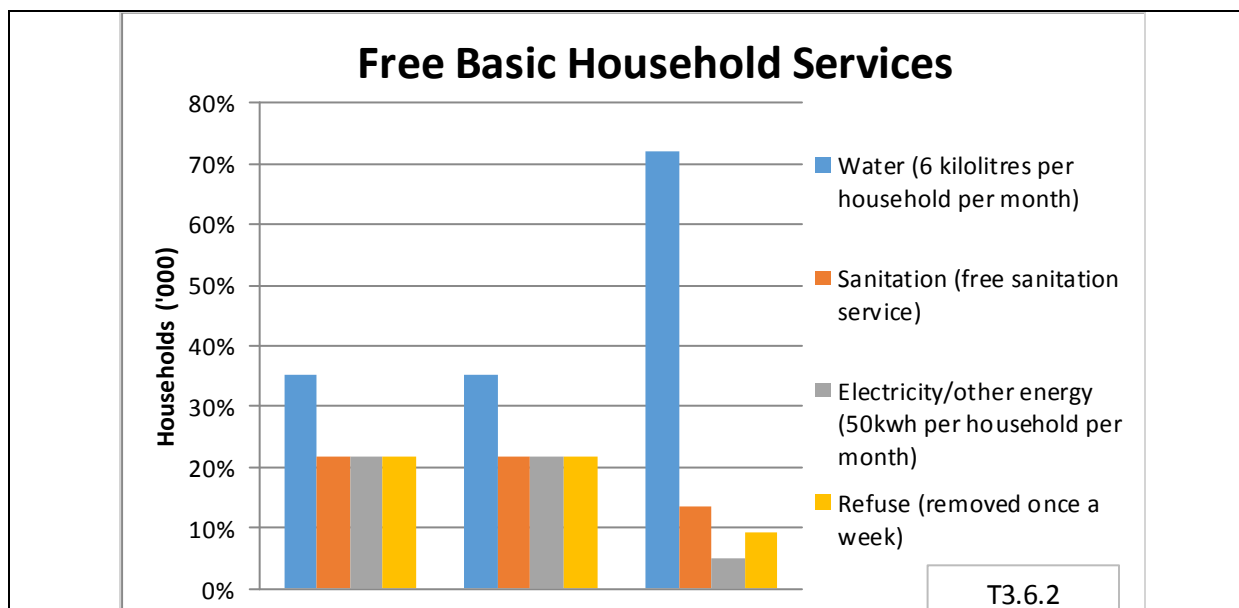
3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

The Department Financial Services facilitated subsidies for 12833 registered households. The municipality continues to provide hundred percent (100%) subsidies to approved indigent in respect the assessment rates, sewerage and refuse removal. The 50 kwh and 6 kiloliters of water in respect of electricity and water respectively .Households earning an income less than two times social pension grants are registered as indigent households. Registered households are provided with free installation of pre-paid meters for electricity and water.

The municipality contracted a service provider to assist with the implementation of the programme with an intention to complement internal human capacity

T3.6.1



CHAPTER 3

Free Basic Services To Low Income Households										
	Number of households									
	Total	Households earning less than R1,100 per month								
		Total	Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
			Access	%	Access	%	Access	%	Access	%
2012/13	117 373	50 827	17 827	35%	11 000	22%	11 000	22%	11 000	22%
2013/14	117 373	101 010	72 765	72%	13 653	14%	5 106	5%	9 486	9%
2014/15	117 373	112 092	72765	65%	13109	12%	13109	12%	13109	12%
2015/16	117373	12833	28169		12833		12833		12833	
										T3.6.3

Financial Performance: Cost to Municipality of Free Basic Services Delivered					
Services Delivered	2014/15	2015/16			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Water	5615896	10 140 840	10 140 840	10 140 840	0
Waste Water (Sanitation)	879 8202	9 440 131	9 440 131	12 021 202	(2 581 071)
Electricity	722 407	4 000 000	4 000 000	1 512 247	2 487 752
Waste Management (Solid Waste)	154874187	15 521 203	15 521 203	18 945 009	(3 423 806)
Total	30623923	39 102 174	39 102 174	42 619 298	(3 517 125)
					T3.6.4

CHAPTER 3

Free Basic Service Policy Objectives Taken From IDP								
Service Objectives	Outline Service Targets	2014/15		2015/16		2015/16	2017/18	
		Target		Target		Target		
		*Previous Year	Actual	*Previous Year	Actual	*Current Year	*Current Year	*Following Year
Service Indicators								
(i)	(ii)							
Social Upliftment								
Indigent Support	% of households earning less than R2 400 per month with access to Free Basic Services	100% of households registered	95%	95% of households registered	101%	100% of households registered	–	–
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the 2014/15 Budget/IDP round; *'Current Year' refers to the targets set in the 2015/16 Budget/IDP round. *'Following Year' refers to the targets set in the 2016/17 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.								
T3.6.5								

T3.6.5

CHAPTER 3

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

Support given to low earners is as follows:

- Households are registered as indigent
- Pre-paid meters on water and electricity are installed for approved households
- Debts are written off
- The households receive 100% subsidy on rates and taxes.
- The owners below 21 yrs. of age and who are unemployed are assisted financially through grant-in-aid policy to transfer their houses.

The Indigent Management Policy covers the following:

- Households earning an income less than two times pension grants are registered as indigent households.
- Registered households are provided with free installation of pre-paid meters for electricity and water.
- 100% subsidy for rates and taxes.

T3.6.6

COMPONENT B: ROAD TRANSPORT

This component includes: roads; transport; and waste water (storm water drainage).

INTRODUCTION TO ROAD INFRASTRUCTURE

The Roads and Storm Water division is responsible for sustainable roads and storm water development and maintenance of Municipal roads, both paved and gravel roads, as well as storm-water drainage systems. Mogale City roads network is comprised of a total of 1100 km of road of which 960 km is paved and the rest remain gravel. Gravel roads are in the rural areas and with a small number of unpaved roads in the old townships.

Road network can be broken down further into 100 km of main arterial roads and 1000 km of tertiary roads. Main arterial roads are the city-to-city roads whereas tertiary roads are roads within the suburbs.

Roads Construction projects were undertaken in formalized townships, such as Sinqobile, Rietvallei Ext 5 as well as the Rural areas, such as Tarlton area to improve access and mobility for the community. Various roads in the City were rehabilitated and resurfaced in areas such as the CBD, Kagiso and West Village, the industrial areas of Chamdor and Delperton also received attention during the financial year of 2015/16.

T3.7.0

3.7 ROAD INFRASTRUCTURE

INTRODUCTION TO ROAD SERVICES

The Department: Infrastructure is responsible for the provision of new paved roads and the maintenance of existing road network, both paved and gravelled. A Pavement Management System is used to guide the Municipality in the maintenance of existing paved roads network.

The Resurfacing and Rehabilitation of roads (32 Km during 2014/15) is considered to be a high priority as ageing roads need to be attended to before they require to be rebuilt at great cost, whilst 0 km were required to be constructed in formalized and new Townships. The timeous repairs of pothole is also important in order to maintain the road network (more than 1900 potholes repaired – 2015/16) and to ensure that roads remain safe.

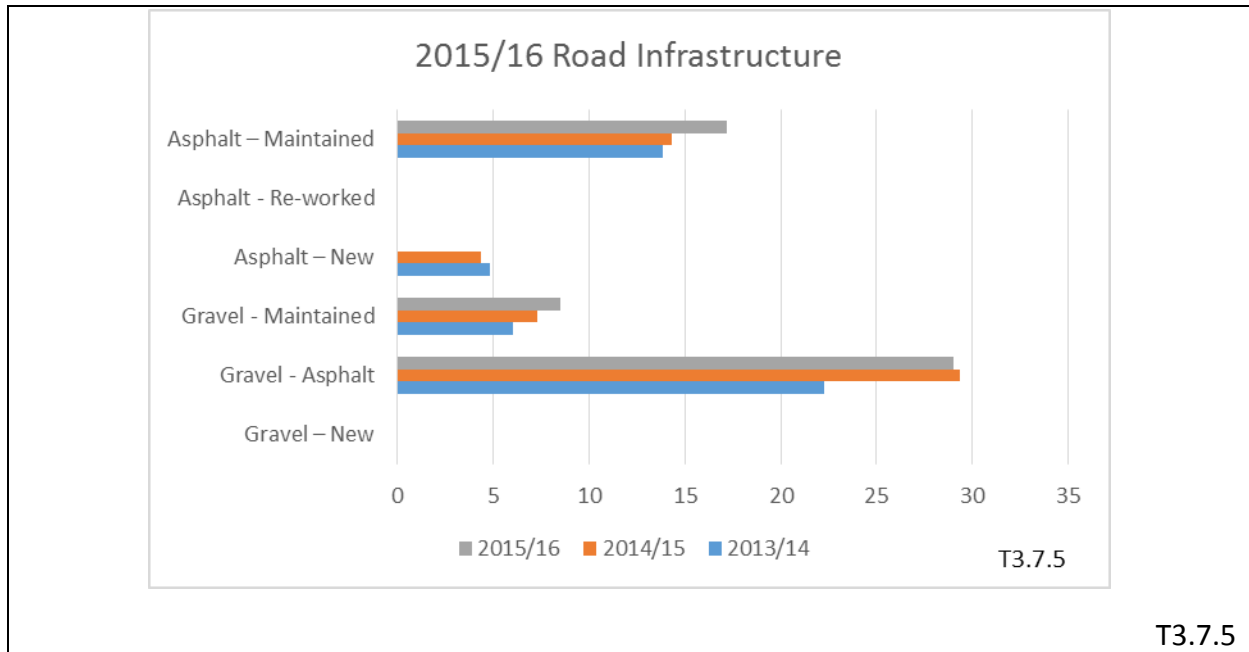
T3.7.1

CHAPTER 3

Gravel Road Infrastructure				
Kilometers				
Financial Year	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to asphalt	Gravel roads graded /maintained
2012/13	181	6	6	181
2013/14	181	0	4,5	177
2014/15	181	0	5,0	150
2015/16	181	0	8,0	158.2
T3.7.2				

Tarred Road Infrastructure					
Kilometers					
	Total asphalted roads	New asphalt roads	Existing asphalt roads re-asphalted	Existing asphalt roads re-sheeted	Asphalt roads maintained
2012/13	896	0	15	0	0
2013/14	900,5	4,5	16,3	0	0
2014/15	900,5	5,6	32,0	0	0
2015/16	893,1	8.0	35,6	0	0
T3.7.3					

Cost of Construction/Maintenance						
R' 000						
	Gravel			Asphalt		
	Gravel – New	Gravel – Asphalt	Gravel - Maintained	Asphalt – New	Asphalt - Re-worked	Asphalt – Maintained
2012/13	0	39,600	4,500	0	0	15,400
2013/14	0	22,270	6,000	4,830	0	13,860
2014/15	0	29,334	7,300	4,33	0	14,3
2015/16	0	29,000	8,500	8.0	0	17,2
T3.7.4						



T3.7.5

CHAPTER 3

Road Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets (ii)	2014/15		2015/16			2016/17	2017/18	
Service Indicators (i)		Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
Physical Infrastructure Services – Roads									
Roads rehabilitation and surfacing	% completion of km of roads resurfaced and rehabilitated	333.59 km of gravel road maintained	33.4 km of paved road rehabilitated	150 km of gravel road maintained	35km of paved roads rehabilitated	100%(35km of paved roads rehabilitated_	–	–	
	% completion of km of roads paved(constructed)- Pr5 Rietvallei extension 5 roads and stormwater	0.7 km of paved road	0.6 km of road constructed	0.7 km of paved road	100% of milestone completed in line with the plan	100% (completion of works)	–	–	–
	% completion of km of side walk constructed- Pr2: Rietvallei extension 2	New KPI	New KPI	New KPI	100% of milestone completed in line with the plan	0%	100% of milestone completed in line with the plan	–	–
New road	% completion of km of new road construction(0.9 km)- Robert Broom widening	New KPI	New KPI	New KPI	100% of milestone completed in line with the plan	100% (earthworks)	100% project implemented against the project plan completed	–	–
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the 2014/15 Budget/IDP round; *'Current Year' refers to the targets set in the 2015/16 Budget/IDP round. *'Following Year' refers to the targets set in the 2016/17 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.									

T3.7.6

T3.7.6

CHAPTER 3

Employees: (Roads and Storm water)**					
Job Level	2013/14	2015/16			
	Employee	Posts	Employees*	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	1	1	1	0	0%
4 – 6	5	5	5	0	0%
7 – 9	2	22	2	20	91%
10 – 12	8	17	8	9	53%
13 – 15	46	79	46	33	42%
Total	62	124	62	62	50%
<p>*Note: Employee data comprises of roads and fleet management</p> <p>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days</p> <p>**Note: Same information as T3.9.6</p>					

T3.7.7

CHAPTER 3

Financial Performance Year 2015/16: Road Services					
					R'000
Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(35 843)	(962 963)	(909 083)	(32 060)	-2904%
Expenditure:					
Employees	13 176	26 516	8 674	12 770	-108%
Repairs and Maintenance	11 830	37 527	11 472	11 570	-224%
Other	8 142	718 111	140 175	141 752	-407%
Total Operational Expenditure	33 148	782 154	160 321	166 091	-739%
Net Operational Expenditure	(68 991)	(1 745 117)	(1 069 404)	(198 151)	-2165%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.7.8

CHAPTER 3

Capital Expenditure Year 2015/16: Road Services					R' 000
Capital Projects	Year 2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	58 001	54 470	56 234	-3%	
Robert Broom Drive Widening	8 500	643	1 263	-573%	
Roads Resurfacing & Rehabilitation	15 000	20 081	19 750	24%	
PR16 Sinqobile Phase 3 Roads and Stormwater	29 029	26 103	26 924	-8%	
PR7 Muldersdrift Rural Areas Roads and Stormwater	300	91	91	-231%	
PR15 Western Rural Areas Roads and Stormwater	200	4 294	4 294	95%	
PR5 Rietvallei Ext 5 Roads and Stormwater	4 210	293	293	-1337%	
PR 10: RIETVALLEI AND ROADS			88		
PR2 Rietvallei Ext 2 Roads and Stormwater	762	()	244	-213%	
Kagiso Ext 14 Roads and Stormwater		15	15	100%	
Kagiso & Extensions Stormwater		13	13	100%	
Speed Calming Measures		463	462	100%	
Office Furniture and Equipment		10	3	100%	
Capitalization of Operational Items		77	58	100%	
PR6 Rietvallei Ext 3 and 3(a)		1 199	1 199	100%	
Chief Mogale Roads & Stormwater Stage 1 Construction		1 077	1 426	100%	
PR3 Kagiso Ext 13 Roads and Stormwater		110	110	100%	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					T 3.7.9

COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

Delete Directive note once comment is completed - Explain the priority of the four largest capital projects and explain variances from budget for operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from year 2015/16 and/or previous year actuals, or expected future variations). Where provincial roads have been delegated to your municipality ensure that this is presented as an additional major issue in this section.

T3.7.10

CHAPTER 3

3.8 INTRODUCTION TO LICENCING

INTRODUCTION TO LICENSING SERVICES

Licensing within a Social Services context involves driver and motor vehicle licensing. Other forms of licensing are reported by other departments.

Main elements of planning strategies

1. Licensing services, registration and testing of drivers and motor vehicles

Three service delivery priorities and impact

1. Adhere to all legal requirements regarding licensing services, uphold the principles of integrity and accountability and

100% attendance to all applicants related to licensing services

Measures taken to improve performance

1. Continuous training of staff
2. Creation of a clean and safe environment for applicants
3. Special arrangements made to assist youth that are living in poverty in obtaining driving licenses

T3.8.1

CHAPTER 3

Licensing Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets <								

T3.8.2

CHAPTER 3

Employees: Licencing					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	1	1	1	0	0%
4 – 5	2	2	1	1	50%
6 – 7	3	3	3	0	0%
8 – 9	7	10	7	3	30%
9 – 10	5	5	5	0	0%
10 – 12	16	20	19	1	5%
11 – 12	11	20	18	2	10%
13 – 15	3	4	3	1	25%
Total	54	65	57	8	12%
T3.8.3					

Financial Performance 2015/16: Licencing and Testing(Transport Services)					
R'000					
Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tarrifs)	-27				
Expenditure:					
Employees	5 375				
Repairs and Maintenance	54				
Other	416				
Total Operational Expenditure	5 846				
Net Operational (Service) Expenditure	-5 873				
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					
T3.8.4					

CHAPTER 3

Capital Expenditure 2015/16: Transport Services(Licencing services)					
R' 000					
Capital Projects	2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0		
Project A	No capital project for the 2015/16 financial year				
Project B					
Project C					
Project D					
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					
T 3.8.5					

COMMENT ON THE PERFORMANCE OF LICENSING SERVICES:

The service is regarded as one of the best in Gauteng. Hence the results of service audits by the Gauteng department of Community Safety have been quite positive.

1. Performance statistics for the year 2015/16 - July 2015 to April 2016 are as follows:

1.1. Number of vehicle roadworthiness certificates handled – 1 623

1.2. Number of learner license applications handled – 9 805

1.3. Number of driver licenses applications handled – 28 192

1.4. Number of vehicle registration applications handled – 21 482

1.5. Number of vehicle renewal licenses handled - 80 990

T3.8.6

CHAPTER 3

3.9 STORMWATER DRAINAGE

INTRODUCTION TO STORMWATER DRAINAGE

The importance of having and maintaining a storm water/ surface drainage system is to prevent flooding and to ensure that water is drained and does not cause any damage to the road surface infrastructure.

The core functions of the storm water section include:

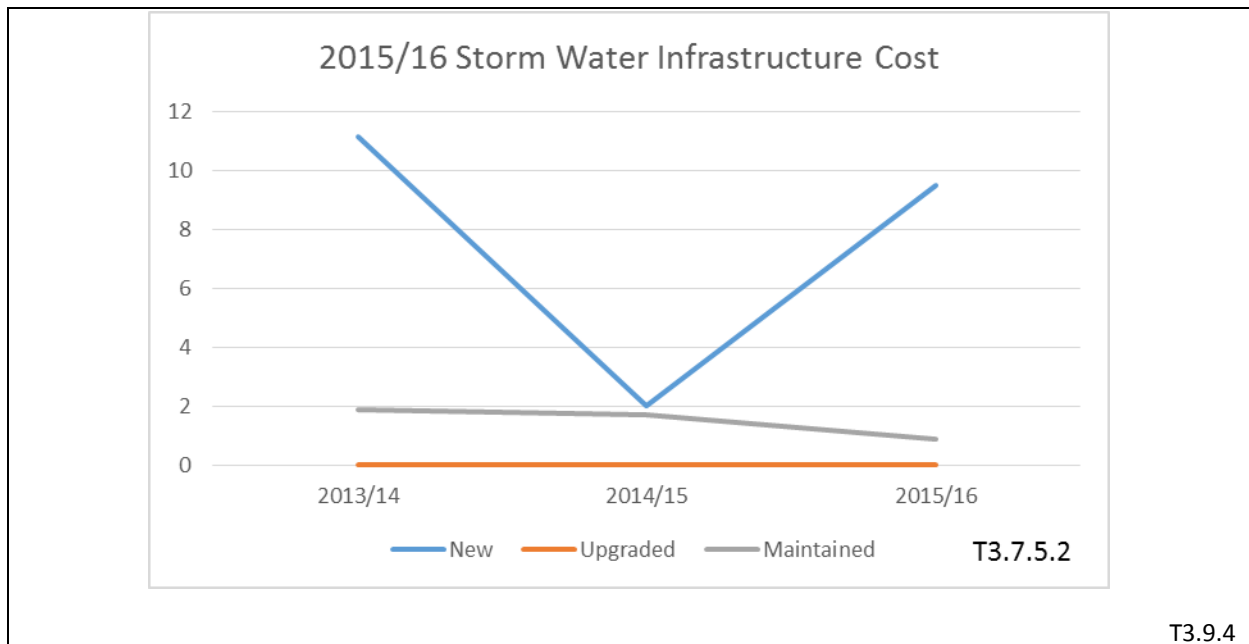
1. The construction of new storm water infrastructure
2. Manholes maintenance
3. Storm water catch pits upgrading and cleaning
4. Cleaning of Culverts
5. Cleaning and repairing of storm water channels

T3.9.1

Stormwater Infrastructure Kilometers				
	Total Stormwater network	New Stormwater network	Stormwater network upgraded	Stormwater network maintained
2012/13	179 071	4	0	0
2013/14	179 074	3,3	0	7,2
2014/15	179 076	2,8	0	7,2
2015/16	191.99	4,75	0	7,2
T3.9.2				

CHAPTER 3

Cost of Construction/Maintenance R' 000			
	Stormwater network		
	New	Upgraded	Maintained
2012/13	10,600	0	0
2013/14	11,130	0	1,900
2014/15	2,000	0	1,700
2015/16	9,500	0	0,900
T3.9.3			



CHAPTER 3

Stormwater Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets (ii)	2014/15		2015/16			2016/17	2017/18	
Service Indicators (i)		Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
Physical Infrastructure Services – stormwater									
Road and stormwater		3.13 km storm water constructed	3.18 km storm water constructed	3.13 km storm water constructed	2,8	2,8			
		8 manholes maintained	8 manholes maintained	8 manholes maintained	9	9			
Storm water drainage maintained	No. of manholes maintained	24 storm water catch pits maintained	24 storm water catch pits maintained	8 manholes maintained	28	28			
	No. of storm water catch pits upgraded	60 culverts cleaned	60 culverts cleaned	24 storm water catch pits maintained	128	128			
	No. of culverts cleaned	6 km of storm water channels cleaned	6 km of storm water channels cleaned	60 culverts cleaned	6,0km	6,0km			
	No. of storm water channels cleaned and/or repaired	1 200 catch-pits cleaned	1 200 catch-pits cleaned	6 km of storm water channels cleaned	1256	1256			
	No. of catch-pits cleaned	24 storm water catch pits maintained	24 storm water catch pits maintained	1 200 catch-pits cleaned	28	28			
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the 2014/15 Budget/IDP round; *'Current Year' refers to the targets set in the 2015/16 Budget/IDP round. *'Following Year' refers to the targets set in the 2016/17 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management									

T3.9.5

T3.9.5

CHAPTER 3

arrangement by municipalities in which IDPs play a key role.

CHAPTER 3

Employees: (Roads and Storm water)**					
Job Level	2013/14	2015/16			
	Employee	Posts	Employees*	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	1	1	1	0	0%
4 – 6	5	5	5	0	0%
7 – 9	2	22	2	20	91%
10 - 12	8	17	8	9	53%
13 - 15	46	79	46	33	42%
Total	62	124	62	62	50%
<p>*Note: Employee data comprises of roads and fleet management</p> <p>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days</p> <p>**Note: Same information as T3.7.7</p>					

T3.9.6

CHAPTER 3

Financial Performance Year 2015/16: Roads and Stormwater Services					
R'000					
Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(35 843)	(962 963)	(909 083)	(32 060)	-2904%
Expenditure:					
Employees	13 176	26 516	8 674	12 770	-108%
Repairs and Maintenance	11 830	37 527	11 472	11 570	-224%
Other	8 142	718 111	140 175	141 752	-407%
Total Operational Expenditure	33 148	782 154	160 321	166 091	-739%
Net Operational Expenditure	(68 991)	(1 745 117)	(1 069 404)	(198 151)	-2165%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					
**Note: same information as T3.7.8					
T 3.9.5					

CHAPTER 3

Capital Expenditure Year 2015/16: Road and Stormwater Services**					
R' 000					
Capital Projects	Year 2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	58 001	54 470	56 234	-3%	
Robert Broom Drive Widening	8 500	643	1 263	-573%	
Roads Resurfacing & Rehabilitation	15 000	20 081	19 750	24%	
PR16 Sinqobile Phase 3 Roads and Stormwater	29 029	26 103	26 924	-8%	
PR7 Muldersdrift Rural Areas Roads and Stormwater	300	91	91	-231%	
PR15 Western Rural Areas Roads and Stormwater	200	4 294	4 294	95%	
PR5 Rietvallei Ext 5 Roads and Stormwater	4 210	293	293	-1337%	
PR 10: RIETVALLEI AND ROADS			88		
PR2 Rietvallei Ext 2 Roads and Stormwater	762	()	244	-213%	
Kagiso Ext 14 Roads and Stormwater		15	15	100%	
Kagiso & Extensions Stormwater		13	13	100%	
Speed Calming Measures		463	462	100%	
Office Furniture and Equipment		10	3	100%	
Capitalization of Operational Items		77	58	100%	
PR6 Rietvallei Ext 3 and 3(a)		1 199	1 199	100%	
Chief Mogale Roads & Stormwater Stage 1 Construction		1 077	1 426	100%	
PR3 Kagiso Ext 13 Roads and Stormwater		110	110	100%	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					
**Note: same information as T3.7.9					T 3.9.6

COMMENT ON THE PERFORMANCE OF ROADS AND STORMWATER DRAINAGE OVERALL:

Roads Resurfacing and Rehabilitation Program: To maintain road network, met annual target), budget less than 5 year IDP target. Pr15: Western Rural Areas (Stage2): To provide surfaced roads in the Western rural areas, met annual target, budget dependant on grant-funding. Pr7: Muldersdrift Rural Areas Roads and Storm water: To provide surfaced roads in the Muldersdrift rural area, met annual target, budget less than required to meet 5 year IDP target. Pr5: Rietvallei Ext5: Roads and Storm water: To provide roads and storm water in new/formalized townships, met annual target, budget less than required to meet 5 year IDP target.

The Municipality will require loan funding in order to meet future IDP targets in full, for the 2015/16 and outer years. The 2015/16 Capital budget is 50% lower than the 2014/15 budget, due to financial constraints. Considerable loan funding will be required in order to meet the 5 year IDP targets.

T3.9.7

CHAPTER 3

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

INTRODUCTION TO PLANNING

The core mandate of the development planning portfolio within Mogale City could be summarized as follows:

- a) Land use development management
- b) Strategic spatial planning, and
- c) Geographical and economic information system

Mogale City is a highly accessible and rapidly developing city. Due to the close proximity of the City to the Johannesburg and Tshwane Economies the city is highly sought after for especially residential and tourism developments.

Planning in the area is focused on nodal and corridor development especially around the Leratong Intersection on the Southern side of the City and along the N14 arterial and the Lanseria Nodal area, to enhance the business offering of the Municipality and to assist with job creation throughout the area. The City is promoting the principle of spatial justice in order to redress the spatial imbalances of the past and is also focused on the integrated development to ensure the sustainable development of the area.

The Municipal area offers many opportunities for green-fields development especially in the Muldersdrift area where there is still many areas which are vacant and undeveloped. New areas of development are however only supported where municipal infrastructure is available as the extension of infrastructure services to green-field areas is costly and requires massive capital investment from the City.

A number of proposals for the provision of Social Housing is in process and in the stages of consideration by the Municipality. In brownfield areas redevelopment and densification are being encouraged although the availability of infrastructure to support such initiatives in a sustainable manner remains challenging especially in relation to the provision of electricity.

Mogale City also incorporates areas which are more rural in nature such as Hekpoort and the Magaliesberg area. The foci of development in these areas are mostly Agricultural and Tourism related as well as the provision of housing for local communities.

Development Planning services are rendered throughout Mogale City (both urban and rural areas) to ensure the coordinated and safe development of our City and also to ensure that economic development is facilitated in a sustainable manner. For all developments environmental aspects are considered and mitigation measures proposed. The provision of

infrastructure is also coordinated as part of applications so as to ensure that all developments are properly serviced and that an acceptable level of development is maintained throughout Mogale City.

T3.10

3.10 PLANNING AND DEVELOPMENT

COMPONENT C: ECONOMIC SERVICES

This component includes: Enterprise Development, Land Resource Mobilisation and Partnership (LRMP), Strategic High Impact Projects (SHIP) / LED, Human Settlement & Rural Development, Development Planning, Tourism Development & Building Development Management.

INTRODUCTION TO ECONOMIC SERVICES

Mogale City is a highly accessible and rapidly developing city. Due to the close proximity of the City to the Johannesburg and Tshwane Economies the city is highly sought after for especially residential, commercial and tourism developments.

Planning in the area is focused on nodal and corridor development especially around the Leratong Intersection on the Southern side of the City and along the N14 arterial and the Lanseria Nodal area, to enhance the business offering of the Municipality and to assist with job creation throughout the area. The City is promoting the principle of spatial justice in order to redress the spatial imbalances of the past and is also focused on the integrated development to ensure the sustainable development of the area.

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A number of proposals for the provision of Social Housing is in process and in the stages of consideration by the Municipality. In brownfield areas redevelopment and densification are being encouraged although the availability of infrastructure to support such initiatives in a sustainable manner remains challenging especially in relation to the provision of electricity.

Mogale City also incorporates areas which are more rural in nature such as Hekpoort and the Magaliesberg area. The foci of development in these areas are mostly Agricultural and Tourism related as well as the provision of housing for local communities.

Development Planning services are rendered throughout Mogale City (both urban and rural areas) to ensure the coordinated and safe development of our City and also to ensure that economic development is facilitated in a sustainable manner. For all developments environmental aspects are considered and mitigation measures proposed. The provision of infrastructure is also coordinated as part of applications so as to ensure that all developments are properly serviced and that an acceptable level of development is maintained throughout Mogale City.

T3.10

3.10.1 LAND RESOURCE MOBILISATION AND PARTNERSHIP

3.10.1 INTRODUCTION TO LAND RESOURCE MOBILISATION AND PARTNERSHIP

The Land Resources Mobilization and Partnership Division (LRMPD) is a newly established division that has been set up to drive MCLM integrated fundraising and partnership resource mobilization programme using land management and property development as anchors in line with the MCLM Strategic Plan, integrated Development Plan and the Economic Development Sector Plan.

The overall objective of the division is to oversee all municipal owned land and ensure that allocated land is properly utilized, and the division is responsible for locating and acquiring suitable land on behalf of the municipality for development, disposal of land to generate income for the municipality, develop mechanisms of strengthening effective land administration and maintaining records of land owned by the municipality.

The LRMPD is also responsible for driving the conceptualization, development and implementation of a prospective municipality's land regularization programme by ensuring the identification of areas requiring regularization, audit and survey of affected municipal land, develop and implement property plans for each affected region (area-by-area plans), formalization of land rights: Land owned by the Municipality and land owned by other public bodies which should be owned by the Municipality and release of land and property to beneficiaries. The division also perform the following on behalf of MCLM coordinating various public, private and civic resources and contributions for effective implementation of the programme.

3.10.1.1

CHAPTER 3

Employees: Land Resource Mobilisation and Partnership					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	1	1	0	100%
5-4	0	3	1	2	33%
6-5	0	3	1	2	33%
8-6	0	6	3	3	50%
9 – 12	0	1	0	1	0%
13 – 15	0	0	0	0	0%
Total	0	14	6	8	43%
<p>It should be noted that this is the personnel information for the Land Resource Mobilisation & Partnership Section. Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget.</p> <p style="text-align: right;">T3.10.1.2</p>					

CHAPTER 3

Financial Performance 2015/16: Land Resource Mobilisation and Partnership					
R'					
Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)					
Expenditure:					
Employees					
Repairs and Maintenance					
City Wide Property Sector Profiling		1,119.480.00	1,119.480.00	1,119.480.00	-
Other					
Total Operational Expenditure					
Net Operational (Service) Expenditure					
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					
T3.10.1.3					

Capital Expenditure 2015/16: Land Resource Mobilisation and Partnership					
R' 000					
Capital Projects	2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
Capital Expenditure					
Office Furniture					
Office Equipment(digital measuring wheelsx3, navigatorsx3, desk printersx10,desl multifunction printersx2,shredderx1					
Land Acquisition	2,000		2,000		
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					
T3.10.1.4					

CHAPTER 3

Land Resource Mobilisation and Partnership Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets (ii)	2014/15		2015/16			2016/17	2017/18	
Service Indicators (i)		Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
Land Resource Mobilisation and Partnership									
	Property Sector Development Strategy	New target	New target	New target	Draft Property Development strategy submitted to EXCO	Draft Property Development strategy was submitted to EXCO	Concept document developed	–	
Land acquisition	% completion for land acquisition-Swanneville	New target	New target	New target	100% of milestones completed in line with the plan	100%	–	–	–
	% completion for land acquisition-Tudor Shaft	Not applicable to the financial year	Establishment of bulk services as resettlement and relocation plan	Establishment of bulk services as resettlement and relocation plan	100% of milestones completed in line with the plan	100%	–	–	–
	Mogale City Property Development Company				Company registration application submitted to CIPC	EXCO and Mayoral Committee resolution in place	–	–	–
<p>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the 2014/15 Budget/IDP round. * 'Current Year' refers to the targets set in the 2015/16 Budget/IDP round. * 'Following Year' refers to the targets set in the 2016/17 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</p>									

CHAPTER 3

COMMENT ON THE PERFORMANCE OF LAND RESOURCE MOBILISATION AND PARTNERSHIP:

During 2015/16, the Land Resource Mobilisation & Partnership Division performed progressively well given that it is a newly established Division. The Division undertook the following projects:

- Land Audit of Mogale City
- Draft Review Land Acquisition and Disposal Policy – completed, awaiting the EM approval
- Mogale City Property Development Company completed the 90 day public participation, awaiting registration
- City wide Property Sector Profiling, formulation of the Development Strategy, packaging of the Property Investment Programme and
- Development of the Property Sector Implementation Programme - completed

T3.10.1.6

CHAPTER 3

3.10.2 STRATEGIC HIGH IMPACT PROJECTS/LOCAL ECONOMIC DEVELOPMENT (SHIP / LED)

INTRODUCTION TO STRATEGIC IMPACT PROJECTS

The Strategic High Impact Projects (SHIP) Unit mandate is primarily to facilitate and support large-scale and economic catalytic projects that promote and enable industrial capacity development within Mogale City Local Municipality. This is achieved by creating supporting infrastructure and structures that will enable regional integration. The division is tasked to identify local industrial development opportunities across the city. The section actively promotes investments across the municipality including the rural, township and central business district areas, taking on the challenge of the under-developed areas as well as that of the urban-rural economic divide.

The division main role is to ensure well executed strategic economic transformation and developmental projects, strategic project management for city transformation, conduct of feasibility studies and assessment relating to economic development initiatives and to ensure project identification and incubation as well as project coordination and facilitation and overall project and programme management.

The critical success factor for the division is develop be responsible for economic planning and sourcing of financial resources for implementation of catalytic/ strategic high impact economic project across the MCLM, this relates mainly to development of business cases, business planning and preparation of funding proposals to various development finance institutions within both the public and private sector. For the financial year under review, SHIP has sourced funds through the Neighbourhood Development Project Grant (NDPG), and to assist in addressing the challenges facing the municipality. The purpose of the NDPG is to support and facilitate the development of urban network plans that consist of primary and secondary networks that interconnect at strategic nodes, which in townships are referred to as urban hubs; urban network plans, precinct plans and then all projects aim to guide the delivery of catalytic investments to leverage third party public and private sector development in the urban hubs. The aim of targeting investment in these strategic locations, as identified by urban network plans, is to improve the quality of life and access of residents in under-served neighbourhoods, generally within townships.

T3.10.2.1

CHAPTER 3

Employees: Strategic Impact Projects					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3		1	1	0	100%
5-4		3	0	3	0%
8-6		3	1	2	33%
9 – 12		1	1	0	100%
13 – 15		-	-	-	-
Total		8	3	5	38%
<p>It should be noted that this is the personnel information for the Development Planning Section and that it now excludes Building Control and Land as those are now individual sections. Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget</p>					
T3.10.2.3					

Financial Performance 2015/16: Strategic Impact Projects					
R'000					
Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)					
Expenditure:	n/a	No Budget allocation for the year under review			
Employees	n/a				
Repairs and Maintenance	n/a				
Other	n/a				
Total Operational Expenditure	n/a				
Net Operational (Service) Expenditure	n/a				
<p>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</p>					
T3.10.2.4					

CHAPTER 3

Capital Expenditure 2015/16: Strategic Impact Projects					
R' 000					
Capital Projects	2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
NDPG (Capital Grant)	R 40,260,000	R 40,260,000	R 41,980,149	R 19,970,000	R 73, 101,538
Office Furniture	-	-			
Office Equipment(digital measuring wheelsx3, navigatorsx3, desk printersx10,desl multifunction printersx2,shredderx1	-	-			
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					
T3.10.2.5					

CHAPTER 3

Strategic Impact Projects Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets (ii)	2014/15		2015/16			2016/17	2017/18	
Service Indicators (i)		Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
Strategic Impact Projects									
	Construction of Kagiso Drive walkways	-	-	Engineering designs-	100% of milestone completed in line with the plan	96%	-	-	-
	Construction of Munsieville walkways	-	-	Engineering designs-	100% of milestone completed in line with the plan	59%	-	-	-
	Upgrade and Extension of Leratong walkways and traffic calming measures	-	-	Engineering designs-	100% of milestone completed in line with the plan	100%	-	-	-
	Jacobs and Geba Street Intersection Upgrade	-	-	Tender evaluation assessment report submitted to BEC	100% of milestone completed in line with the plan	100%	-	-	-
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the 2014/15 Budget/IDP round; *'Current Year' refers to the targets set in the 2015/16 Budget/IDP round. *'Following Year' refers to the targets set in the 2016/17 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.									
T3.10.2.2									

COMMENT ON THE PERFORMANCE OF STRATEGIC IMPACT PROJECTS

The SHIP successfully managed to secure funding for the Kagiso Township from the NDPG and four projects were approved for implementation are earmarked to be completed by the end of the 2015/16 financial year, which includes the following projects:

The Upgrade of Kagiso Avenue Pedestrian Walkways

This will include construction of pedestrian walkways and landscaping along Kagiso Avenue. The project will also include storm water mitigation measures on all the sites where walkways are being constructed.

Leratong Walkways Phase 2

This will include the extension of walkways for Phase 1 to Adcock Street (R558). This includes traffic calming measures and pedestrian crossing in the busy intersection.

Munsieville Walkways

This will include pedestrian walkways, traffic calming measures and pedestrian crossings along Van Riebeck Road, Robert Broom, Monala and Conradie Streets.

Jacobs and Geba Street Intersection Upgrade

This will include the construction of pedestrian walkways along Geba Street which will join Kagiso Avenue as per the Leratong Walkways Concept Plan.

T3.10.2.6

3.10.3 BUILDING DEVELOPMENT MANAGEMENT

INTRODUCTION TO BUILDING DEVELOPMENT MANAGEMENT

In line with the Departments organizational redesign, Building Development Management represents an elevation of the traditional functions of the City's building control office. Its core mandate is the maintenance of appropriate standards of safety, cleanliness and orderliness across the city by ensuring sufficient building control, Inputting into regulated outdoor advertising, Undertaking building law enforcement in line with the National Building Regulations, and establishing and maintaining building plan records and document management

The advantage of this approach is that there will be strengthened focus on urban design and urban architecture; building inspectorate function that is more externally focused, not only on building plans but also to ensure more focus on land-use management and building development management.

The mandate of the Building Development Management is to consider building plans for approval in terms of the National Building Regulations and Building Standard Act, 1977 (Act 103 of 1977), as amended. This generates income for the Municipality and ensures that development projects are undertaken within the MCLM, resulting in increased economic activities.

T3.10.3.1

CHAPTER 3

Building Development Management Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets (ii)	2014/15		2015/16			2016/17	2017/18	
Service Indicators (i)		Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
Building Development Management									
	Building Inspections conducted	New target	New target	New target	3 000	3 740	3 000	–	–
	Average time(days) taken to approve compliant business plans from date of receipt		60 days	60 days	30 days	20 days	60 days		–
	Average time taken(days) to process and issue certificates of occupancy from date of final inspection		Not applicable to the financial year	14 days	5 days	2 days	14 days	–	–
	Stages for the approval of the development of DES/CAE office plans- municipal Precinct	Not applicable to the financial year	Municipal Precinct plan EXCO support	Municipal Precinct plan EXCO support	Approved architectural designs	Architectural Plans	–	–	–

Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the 2014/15 Budget/IDP round; *'Current Year' refers to the targets set in the 2015/16 Budget/IDP round. *'Following Year' refers to the targets set in the 2016/17 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.

T3.10.3.2

CHAPTER 3

Employees: Building Development Management					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	1	0	1	0%
5-4	1	3	1	2	33%
6-5	2	3	2	1	66%
8-7	4	15	4	11	27%
10 – 8	2	3	2	1	66%
12 – 11	3	3	3	0	100%
Total	12	28	12	16	43%
It should be noted that this is the personnel information for the Building Development Management Section and that it now excludes Development Planning sections. Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget					
T3.10.3.3					

Financial Performance 2015/16: Building Development Management					
					R'000
Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)					
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure					
Net Operational (Service) Expenditure					
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					
T3.10.3.4					

CHAPTER 3

Capital Expenditure 2015/16: Building Development Management					
R' 000					
Capital Projects	2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
Capital					
Office Furniture					
Office Equipment(digital measuring wheelsx3, navigatorsx3, desk printersx10,desl multifunction printersx2,shredderx1					
Construction of new offices (CAE and Economic Services) Architectural designs	3 000	3 000	450	2 550	3 000
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					T3.10.3.5

COMMENT ON THE PERFORMANCE OF BUILDING DEVELOPMENT MANAGEMENT

In terms of the National Building Regulations and Building Standards Act, No. 103 of 1977, Building development Management has achieved the following in the financial year 2015/2016 from both private and public sector:

The following were submitted - 401
 The following were approved - 479
 The following were completed – 126
 Total number of inspections conducted - 4360

T3.10.3.6

CHAPTER 3

3.10.4 DEVELOPMENT PLANNING

INTRODUCTION TO DEVELOPMENT PLANNING

The Focus of the Development Planning unit is mainly on optimizing land use rights on private and public property within the boundaries of the Municipal area in order ensure legal compliance to applicable legislation whilst adding value to existing properties, and the establishment of new townships which improves the ability on the municipality to increase its revenue through municipality property rates and taxes.

The Development Planning division is responsible for processing various types of applications which includes the Amendment Scheme Applications (Rezoning), Consent Use Applications, Township Establishment Applications, Applications for the Division and Consolidation of Land, Applications for the Removal of Restrictive Conditions, Comments on Applications for Liquor Licenses , Applications for the relaxation of Building Lines and many more aspects relating to development planning in line with MCLM policies and by-laws Town Planning applications countrywide has been challenged by the fact that all relevant legislation predated the Democracy of South Africa leading to misalignment to new Legislation such as the Constitution, Municipal Systems Act 2000 and the Municipal Structures Act 2000. Therefore applications within MCLM have been considered in terms of the Town Planning and Townships Ordinance 1986, Annexure F of the Black Communities Development Act, 1984, the Peri Urban Town Planning Scheme, 1975, as well as the Krugersdorp Town Planning Scheme 1980.

However, with effect from 1st July 2015, nationally the Spatial and Land Use Management Act 2013 (SPLUMA) has been enacted and was implemented, to address the legislative gaps that existed in the past. Although various challenges still exist in the implementation of the Act and also the devolvement of certain application functions and responsibilities from Provincial Government to Local Municipalities several processes are concurrently attended to both by Municipalities and Provincial Government to ensure the speedy and full implementation of SPLUMA thereby also giving impetus to the Constitutional mandate of Local Government to be responsible for planning functions in their areas of jurisdiction.

T3.10.4.1

CHAPTER 3

Development Planning Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets (ii)	2014/15		2015/16			2015/16	2016/17	
Service Indicators (i)		Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
Development Planning									
	Average time(days) taken to submit compliant applications to Section 80 Portfolio Committee for consideration	30 days	21 days	30 days	30 days	30 days	30	21	21
	Stages for the subdivision Portion 36 Waterval 176 IQ	Not applicable to the financial year	Not applicable to the financial year	New target	Final stage: Request legal division to appoint transfer attorney	Documents and diagrams prepared during January 2016, and submitted to the Survey General	Final Stage: Request legal division to appoint attorney	–	–
	Stages for the submission of proclamation of the township	Not applicable to the financial year	Not applicable to the financial year	New target	Stage 3: Submission of SG(survey General) diagram for approval	Documents and diagrams prepared and submitted to SG	Stage 4: Proclamation of the township	–	–
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the 2014/15 Budget/IDP round; *'Current Year' refers to the targets set in the 2015/16 Budget/IDP round. *'Following Year' refers to the targets set in the 2016/17 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.									

Mogale City Local Municipality | CHAPTER 3

T3.10.4.2

CHAPTER 3

Employees: Development Planning					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	1	1	1	0	0%
5-4	5	3	3	0	0%
8-6	7	46	5	41	89%
9 – 12	4	5	3	2	40%
13 – 15	1	1	1	0	0%
Total	18	56	13	43	77%
<p>It should be noted that this is the personnel information for the Development Planning Section and that it now excludes Building Control and Land as those are now individual sections. Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget</p>					
T3.10.4.5					

CHAPTER 3

Financial Performance Year 2015/16: Development Planning Services					
R'000					
Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(12)	43 842	63 667	57 225	23%
Expenditure:					
Employees	11 722	13 237	13 914	14 091	6%
Repairs and Maintenance	–	–	–	360	100%
Other	7 680	3 383	2 925	28 684	88%
Total Operational Expenditure	19 401	16 620	16 839	43 135	2
Net Operational Expenditure	(19 413)	27 223	46 828	14 090	-2
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					
T 3.10.5					

Capital Expenditure 2015/16: Development Planning					
R' 000					
Capital Projects	2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
Capital Grant / Project					
Office Furniture					
Office Equipment(digital measuring wheelsx3, navigatorsx3, desk printersx10,desk multifunction printersx2,shredderx1					
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					
T3.10.4.7					

COMMENT ON THE PERFORMANCE OF DEVELOPMENT PLANNING

APPLICATIONS CONSIDERED BY THE SECTION 80 PORTFOLIO COMMITTEE LED DURING 2015/16

Consent Use, Rezoning and Subdivision applications:

The applications approved resulted in a total potential of Residential Floor area of 2 780 m² and a total potential Business floor area of 146 919 m² which is also inclusive of the application of the Cradlestone Mall to approve the construction of an additional 140 156 m² Retail floor area at the shopping centre

A total of 7 new land portions were created through subdivision applications that were considered.

KEY WEST MALL REDEVELOPMENT

Acucap, the owners of the Key West shopping centre has submitted plans for the redevelopment of the Key West Shopping centre. Several parking garages are in the process of being constructed and the waterfront area has been totally redesigned in order to make better use of the area and construction is ongoing. The redevelopment amount to an investment of R 300 million the main portion thereof were completed in August 2015 and currently the previous Gym area are under construction to add additional shops to the Mall.

MOGALE JUNCTION (AMBERFIELD)

The Mogale Junction development is situated at the entrance to Randfontein and was previously known as the Amberfield Development. The development unfortunately became liquidated but has now been purchased by a new land developer that are working in consultation with the SHRA (National Housing Association) and the Gauteng Department of Human Settlements in order to proceed with the development of a Social Housing Project. The developer has submitted an application for the establishment of a Township for the construction of 1590 social housing residential units. Due to time constraints the Executive Mayor has granted the developer permission to proceed on site subject to certain conditions and indemnities whilst the approval processes are in process. The Premier of Gauteng visited the site for a soil turning ceremony on 14 March 2013. The first phase of the Development were completed and the township proclamation process were completed during February 2016 and the development can therefore now officially be occupied.

AVIANTO DEVELOPMENT

The Developer is proposing as part of the development to construct 250 RDP houses for workers and to formalize the informal settlements that is present on the land. The developer is in process of finalising the purchase and donation of a portion of land adjacent to Ethembalethu for the construction of the RDP houses by the Gauteng Department of Human Settlements.

PINEHAVEN NETCARE HOSPITAL

A hundred bed hospital was constructed at the Pinehaven Intersection during 2015 and the development was facilitated by the Development and Planning Section. The planning were however done in such a manner so as to allow the growth of the Hospital over time to a 300 bed hospital.

VALLEY VIEW SHOPPING CENTRE

The new Valley View Shopping Centre of 30 000m² is currently under construction on Robert Broom Drive. As a second phase the construction of a Builders Warehouse is also planned adjacent to the shopping centre.

CURRO HIGH SCHOOL DEVELOPMENT

The construction of the new Curro High School are to commence construction within the next 2 months as it is planned that the Scholl will be operational from 1 January 2017.

UPDATE REPORT: DETAILED PLANNING STUDIES WHICH WERE CONDUCTED ON THE MUNICIPAL OWNED LAND PORTIONS FOR THE PURPOSE OF SETTLEMENT DEVELOPMENT IN RURAL NODES OF MOGALE CITY MUNICIPALITY.

a) DR SEFULARO VILLAGE

Dr Sefularo Village is being established on Portion 1 of the Farm Vogelzang in Hekpoort Ward 32. The Planning phase of this project is concluded and all necessary approvals were obtained from relevant Departments as required in terms of Town Planning Ordinance 15 of 1986. The project is now ready for installation of the Infrastructure Services. Infrastructure Services Department appointed the Services Provider for installation of Waste Water Treatment Plant which will cater the development. The approved layout plan makes provision for 212 erven comprised 190 Residential, 16 Municipal use, Special use, Crèche and a Park.

b) GAMOHALE EXTENSION 1

Ga-Mohale Extension 1 is being established on Portions 81 and 82 of the Farm Vaalbank in Magaliesburg. The land portion measures approximately 22ha in extent. The Planning phase of the project is concluded and the approved layout plan accommodates 489 erven (479 residential 1, 5 Residential 4, 2 Business 1, Municipal Use, Clinic, Church, Crech, Community hall, School and 3 Public Open space.

c) DR MONTLANA TOWNSHIP (PORTION 44 RIETFontein) MULDERSDRIFT.

Dr Nthato Montlana Township is located on Portion 44 of the Farm Rietfontein in Nooitgedacht. The land portion measures approximately 11ha in extent. All the Detailed Planning studies were completed and the layout plan makes provision for 263 erven (253 Residential 1, 9 Residential 2, Shop, Place of worship, Community garden, Taxi rank, Market, Retention dam, Chreche, Sports ground and Public open space.

The progress is summarized as follows:

d) HEKPOORT EXTENSION 1 TOWNSHIP

Hekpoort Ext 1 is located on Portion 265 of the farm Hekpoort and the land only measures 1, 4 hectares. The proposed layout plan provides 66 Rental stock. The status of the project is summarized below:

e) 5. DR SEFULARO EXTENSION 1 VILLAGE

Dr Sefularo Extension is being established on Portion 1/Remainder of the Farm Vogelzang along R560 road in Hekpoort. The land portion measures approximately 42,4761ha. The proposed layout plan comprising of 348 erven (326 Residential 1, 2 Business 1, Chreche, Primary school, 7 Agriculture, Community facility and Municipal.

f) HONINGKLIP TOWNSHIP (REMAINDER PORTION 3/11) MULDRSDRIFT

Portion 3/11 Remainder of the Farm Honingklip 178 IQ is located along N14 road in Muldersdrift. The land portion measures 7.7243 ha in extent. All Detailed Planning studies were completed and the layout plan accommodates 218 erven including social amenities.

T3.10.4.8

CHAPTER 3

3.10.5 TOURISM DEVELOPMENT

INTRODUCTION TO TOURISM DEVELOPMENT

Tourism has been identified as one of the faster growing sectors worldwide, with the potential for job creation and improving the living standard of the disadvantaged communities. Mogale City has identified tourism as one of the key sector that has potential to develop and assist in facilitating job creation and skills development whilst addressing the National imperatives of reducing unemployment and benefiting the local communities. Mogale City is best positioned to contribute to the sector based on the rich tourism attractions and products, which varies from Eco Tourism, Heritage Tourism, Adventure tourism, Township Tourism, the MICE industry as well as Leisure Tourism.

The strategic goal for Mogale City is to drive tourism economic growth and position the area as a leading tourism destination within Gauteng through nature and heritage visitor's experience, making it a more desirable place to visit. The primary aim is to forge transformation within the tourism sector through strategic public-private partnership with the objective to create an enabling environment for emerging tourism entrepreneurs and the local communities while addressing the inequalities within the sector. The focus is to further develop and promote the Rural and Township tourism of the City.

Key Projects

➤ Tourism Buddies Learnership Programme

The Mogale City Tourism Strategy outlines that for the City to increase visitor volumes, it will require rendering a world class hospitality services which require well-trained service workers for the various tourist contact points around the City. A programme such as Tourism Buddies Learnership in partnership with the National Department of Tourism was implemented with the aim to empower the youth by affording them an opportunity to provide both theoretical and practical training within the hospitality services. The programme resulted in 50 Mogale City based youth graduating whilst 11 out the overall number have been permanently employed within the City's tourism establishments.

➤ **Tourism Signage**

The project was aimed at erecting the tourism signs across the City's Tourism Strategic entrance points. The signs will serve to increase product visibility and as a direction pointers to the City's key tourism products. The ultimate intention is to create a tourist friendly environment to visitors by providing easy navigation to various tourism offerings across the City. The tourism signage will also serve to showcase what the City has to offer for visitors and capture attention of potential visitors since the City is located along major routes to neighboring tourism destinations, i.e Lanseria Airport, Lion Park, Haartebeesfontein; Sun City, Pilanesburg.

➤ **The Lanseria Airport City Investment Programme**

The programme is an initiative that stems from the 2015 State of the Province Address by the Gauteng Premier with the intention to anchor the Western Corridor Development through freight and logistic hubs. The programme has also been prioritized by the Executive Mayor's 2015 State of the City Address. The study undertaken identified investment opportunities and the implementation thereof that are aimed at the eventual realisation of an airport city economic development programme. The outcome of the study identified investment opportunities such as the ICT/Technology Academy, Pan African Parliament as well as social housing, industrial and retail facilities that will promote investment in targeted areas, rise economic growth and create employment opportunities within the City.

➤ **Tourism Investment Atlas**

The Atlas was identified as major catalyst to profile, package investment and promote tourism opportunities across the City that will stimulate job creation and develop entrepreneurs within the local communities. The objective is to develop an atlas that activate the multiplier effects of tourism in terms of employment generation, economic development and providing impetus to both township and rural tourism whilst contributing to the overall Local Economic development of the City.

T3.10.5.1

CHAPTER 3

Tourism Development Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets <i>Service Indicators</i> (i) (ii)	2014/15		2015/16			2017/17	2017/18	
		Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
Tourism Development									
<i>Tourism development Atlas</i>	Stages for the development of Tourism Investment Atlas	Not applicable	Not applicable	Tourism Development Strategy	Stage 4: Catalytic tourism investments atlas developed submitted to EXCO	Draft tourism investment opportunities atlas	100% of milestones in line with the plan	–	–
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the 2014/15 Budget/IDP round; *'Current Year' refers to the targets set in the 2015/16 Budget/IDP round. *'Following Year' refers to the targets set in the 2016/17 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.									
T3.10.5.2									

T3.10.5.2

CHAPTER 3

Employees: Tourism Development					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	1	1	1	1	0%
5-4	1	4	2	4	50%
8-6	1	5	1	4	80%
9 – 12	1	1	0	1	100%
13 – 15	-	-	-	-	-
Total	4	11	4	10	36%
<p>It should be noted that this is the personnel information for the Tourism Development Section and that it now excludes Enterprise Development as now Tourism in an individual section. Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.</p>					
T3.10.5.3					

CHAPTER 3

Financial Performance Year 2015/2016: Tourism Development					
Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	11 974	-	-	-	0
Expenditure:					
Employees	-	-	-	1 438	100%
Repairs and Maintenance	-	-	-	-	0%
Other	-	773	1 836	186	-317%
Total Operational Expenditure	-	773	1 836	1 623	52%
Net Operational Expenditure	-11 974	773	1 836	1 623	52%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					
					T 3.10.5.4

Capital Expenditure 2015/16: Tourism Development					
Capital Projects	2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	-	-	-	-	-
NDPG (Capital Grant)	-	-	-	-	-
Office Furniture	-	-	-	-	-
Office Equipment(digital measuring wheelsx3, navigatorsx3, desk printersx10,desl multifunction printersx2,shredderx1	-	-	-	-	-
Investment atlas	0	700 000.00	174 999.12	53 729.00	R 646 271.00
Lanseria Airport City Investment Programme	0	1 497 280.00	1 497 280.00	0.00	R 1 497 280.00
Tourism Signage	0	200 000.00	0.00	R 200 000.00	R 200 000.00
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					
					T3.10.5.5

COMMENT ON THE PERFORMANCE OF TOURSIM DEVELOPMENT

The Tourism Division as a newly established division has managed to extensively engage with relevant stakeholders within the sector in Gauteng and to identify key projects that can accelerate the goal of the MCLM in relation to the Tourism Sector, the following projects were undertaken and are currently at varying stages of conceptualisation to implementation.

Tourism Buddies Learnership Programme

The Mogale City Tourism Strategy outlines that for the MCLM to increase visitor volumes, it will require rendering a world class hospitality services which require well-trained service workers for the various tourist contact points around the City. A programme such as Tourism Buddies Learnership in partnership with the National Department of Tourism was implemented with the aim to empower the youth by affording them an opportunity to provide both theoretical and practical training within the hospitality services. The programme resulted in 50 local based youth graduating whilst 11 out of the overall number have been permanently employed within the City's tourism establishments.

Tourism Signage

The project was aimed at erecting the tourism signs across the City's Tourism Strategic entrance points. The signs will serve to increase product visibility and as a direction pointers to the City's key tourism products. The ultimate intention is to create a tourist friendly environment to visitors by providing easy navigation to various tourism offerings across the City. The tourism signage will also serve to showcase what the City has to offer for visitors and capture attention of potential visitors since the City is located along major routes to neighboring tourism destinations, i.e Lanseria Airport, Lion Park, Haartebeesfontein; Sun City, Pilanesburg.

The Lanseria Airport City Investment Programme

The programme is an initiative that stems from the 2015 State of the Province Address by the Gauteng Premier with the intention to anchor the Western Corridor Development through freight and logistic hubs. The programme has also been prioritized by the Executive Mayor's 2015 State of the City Address. The study undertaken identified investment opportunities and the implementation thereof that are aimed at the eventual realisation of an airport city economic development programme. The outcome of the study identified investment opportunities such as the ICT/Technology Academy, Pan African Parliament as well as social housing, industrial and retail facilities that will promote investment in targeted areas, rise economic growth and create employment opportunities within the City.

Tourism Investment Atlas

The Atlas was identified as major catalyst to profile, package investment and promote tourism opportunities across the City that will stimulate job creation and develop entrepreneurs within the local communities. The objective is to develop an atlas that activate the multiplier effects of tourism in terms of employment generation, economic development and providing impetus to both township and rural tourism whilst contributing to the overall Local Economic development of the City.

T3.10.5.6

3.11.1 ENTERPRISE DEVELOPMENT

INTRODUCTION TO ENTERPRISE DEVELOPMENT

The mandate of Enterprise Development Unit include the development of local economy that will contribute towards reducing poverty, inequality and unemployment. This is done through the development of progressive economic policies and strategies, promoting and supporting key economic sectors, facilitation of investment, support and promotion of SMMEs and cooperatives, coordinating and mainstreaming of EPWP.

At the core of all the programs is the biasness towards township economic development, economic transformation and designated groups.

T3.11.1

Economic Activity by Sector		
R '000		
Sector	2014/15	2015/16
Agricultural, forestry and fishing	2%	2%
Mining and quarrying	3%	3%
Manufacturing	22%	22%
Wholesale and retail trade	15%	15%
Finance, property, etc.	16%	16%
Government, community and social services	25%	25%
Infrastructure services	4%	4%
The required information can be acquired from a Quantec System, unfortunately we don't have access to the system. StatsSA indicated that they don't have that info for municipalities		

T3.11.2

CHAPTER 3

Economic Employment by Sector Jobs		
Sector	2014/15	2015/16
Agricultural, forestry and fishing	2,046	2,046
Mining and quarrying	2,242	2,242
Manufacturing	13,381	13,381
Wholesale and retail trade	18,282	18,282
Finance, property, etc.	23,976	23,976
Gov., community and social services	29,809	29,809
Infrastructure services	978	978
Total	90,714	90,714
The required information can be acquired from a Quantec System, unfortunately we don't have access to the system. StatSA indicated that they don't have that info for municipalities		
T3.11.3		

COMMENT ON LOCAL JOB OPPORTUNITIES

Job opportunities have been created through incubator programmes within the municipality.

T3.11.4

Job creation through EPWP* projects		
	EPWP Projects	Jobs created through EPWP projects
Year	No.	No.
2012/13	26	1,144
2013/14	18	495
2014/15	12	233
2015/16	27 (TBC)	945
* - Extended Public Works Programme		
T3.11.5		

CHAPTER 3

Enterprise Development-Local Economic Development Policy Objectives Taken From IDP									
Service Objectives <i>Service Indicators (i)</i>	Outline Service Targets (ii)	2014/15		2015/16			2016/17	2017/18	
		Target	Actual	Target			Target		
		*Previous Year		*Previous Year	*Current Year	Actual	*Current Year	*Current Year	*Following Year
Enterprise Development-Local Economic Development									
<i>Sector development facilitation services planned vs. provided</i>	Number of SMMEs supported through the Chemical incubator programme*(Description of KPI)	New target	27	20	33	40	40	–	–
	Stages for the planning of township economic development programme	New target	Not applicable to this financial year	Not applicable to this financial year	Final Stage: Appointment of service provider	Service provider appointed	–	–	–
	Stages for the development of industrial parks business plan	New target	Not applicable to this financial year	Not applicable to this financial year	Final Stage: Business plans	Business plans developed	–	–	–
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the 2014/15 Budget/IDP round; *'Current Year' refers to the targets set in the 2015/16 Budget/IDP round. *'Following Year' refers to the targets set in the 2016/17 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.									
T3.11.6									

T3.11.6

CHAPTER 3

Employees: Enterprise Development					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	1	1	1	0	0%
4 – 5	2	7	1	6	86%
6 - 7	1	-	9	0	0%
8 - 10	4	9	4	5	56%
11 - 10	2	2	2	0	0%
11 - 12	1	1	1	0	0%
Total	11	20	18	2	10%
<p>Totals should equate to those included in the Chapter 4 total employee schedule.</p> <p>Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</p>					

T3.11.7

Financial Performance Year 2015/16: Local Economic Development Services					
R'000					
Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(18)	3 369	69 025	63 727	95%
Expenditure:					
Employees	13	12 906	13 602	13 135	2%
Repairs and Maintenance	–	179	457	–	#DIV/0!
Other	1	19 702	11 107	2 836	-595%
Total Operational Expenditure	14	32 787	25 165	15 971	-105%
Net Operational Expenditure	(31)	(29 417)	43 861	47 757	200%
<p>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</p>					

T 3.11.9

CHAPTER 3

Capital Expenditure Year 2016: Economic Development Services					
R' 000					
Capital Projects	Year 2016				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	73 260	156 144	137 311	47%	
Bulk Infrastructure Site & Services Installations	27 000	25 796	26 186	-3%	
Installation of Enviro-Loose Toilets	6 000			0%	
Kagiso Ext 13 Housing Development		65 267	45 787	100%	
Furniture & Office Equipment		700	92	100%	
Tourism Signs		200	45	100%	
Phase 2 of Leratong Walkways	5 000	9 122	9 329	46%	
Urban Upgrades of Jacobs and Geba Streets intersection	7 000	12 855	13 578	48%	
Paved Walkways along Munsieville Township	13 000	16 951	16 929	23%	
Paved Walkways along Kagiso Drive	15 260	25 253	25 365	40%	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T 3.11.10

CHAPTER 3

COMMENT ON ENTERPRISE DEVELOPMENT PERFORMANCE OVERALL

The Enterprise Development Unit executed the following projects and programs:

- Business plans for both Swaneville and Munsiville Industrial parks were developed.
- A City Wide Township Economic Development Program was developed
- The Economic Transformation Framework and Procurement Strategy for Supporting Township Economic Revitalisation was developed and it is a guiding principles by which Mogale City seeks to make a contribution towards reducing poverty, inequality and unemployment.
- The Chemical Manufacturing Incubator trained and established 40 SMMEs. The SMMEs received assistant to procure marketing material and manufacturing material. A combined turnover of R895 748 was made by the SMMEs and it the process they created 69 jobs.
- There are 50 SMMEs enrolled in the Construction Incubator Program. The incubator conducted 20 training sessions for the year. 27 of the companies got contracts to the value of R5 469 077 and in the process created 264 jobs.
- The mechanization program is aimed at assisting emerging farmers with tractors and implements to cultivate their land. For this financial year 30 farmers benefited from the program.
- Infrastructure has been installed in the Vlakdrift agri-park. The installed infrastructure include 10 tunnels, irrigation system, borehole and a generator. A local cooperative is ploughing spinach in the tunnels

T3.11.10B

CHAPTER 3

COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component includes: libraries and museums; community halls; cemeteries and crematoria; child care; aged care; social programmes.

INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

Social Services provide effective and efficient Social and Public Safety programmes, library and information Services, Sports and Recreation facilities and facilitation of Social Development for the community through building of multi-purpose facilities, sport complexes, libraries and Early Childhood Development Centres for usage by the community of Mogale City at affordable fees no cost to non-governmental organizations and groups from impoverished communities.

T3.12.0

3.12 LIBRARIES; MUSEUMS; COMMUNITY FACILITIES

INTRODUCTION TO LIBRARIES; MUSEUMS; COMMUNITY FACILITIES

Library Services Division provides a library and information service to all the areas of Mogale City. The services include:

Photocopying facilities, internet and computer access, facilities for research and information services to support school projects. Newspapers are also available for those who wish to keep abreast on daily news and available jobs.

Lending of information resources like books, magazines, books on tape and CD to registered users and usage of the resources inside the libraries for both registered and non-registered users. The information resources also provide essential information to unemployed people who want to learn new skills in the line of for instance, woodwork, mechanics, painting etc.

Implementation of outreach programmes like Readathon, Science Olympiad, and public speaking. The aim of the programmes is to market the services offered by libraries and to nurture and develop a love of reading. The programmes also enhance the learners' ability to expand their learning. Heritage, Arts and Culture Section provides the following services to the community of Mogale City:

Educational outreach programmes, and tours to educate the community about the history of Mogale City and South Africa in general. This includes identification, preservation and promotion of heritage sites within the municipality.

Coupled with library and information services are arts, culture and heritage services:

A platform for local artists to market and exhibit their artistic works to the community of Mogale City and visitors coming from outside Mogale City. These exhibitions give them an opportunity to network, learn from one another and to grow in their respective fields. It also gives them an opportunity to make a living from their art work sales and thereby contribute to the economy.

Development and promotion of arts and culture from the grassroots level in Mogale City. This is done through organisation and implementation of arts and culture events and projects such as Dance competitions and pottery projects.

T3.12.1

SERVICE STATISTICS FOR LIBRARIES; MUSEUMS; COMMUNITY FACILITY

Indicated in the below table (T3.12.3)

3.12.2

CHAPTER 3

Libraries; Museums; Community Facilities Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets (ii)	2014/15		2015/16			2016/17	2017/18	
Service Indicators (i)		Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
Library services and Heritage, Arts and Culture									
Library services planned versus provided	% of persons benefiting from library services	100%	100%	100%	100%	100%	100%	100%	100%
	No. of library resources circulated(Books, Tapes and CDs, Manuals, Periodicals and newspapers)	250 200	250 200	241 690	250 200	281 843	250 200	250 200	250 200
	No of library outreach programs presented	8	8	8	8	8			
	% of Provincial Budget allocation versus spent on library resources (Books, Tapes and CDs, Manuals, Periodicals and newspapers)	Not applicable to financial year	Not applicable to financial year	New target	100%	100%	100%	100%	100%
Heritage promotion programmes	% of persons benefiting from sports facility usage	3 050	100%	100%	100%	100%	100%	100%	100%
	No. of Heritage arts and Culture programmes implemented	4	4	4	4	6	6	6	6
	No. of exhibitions staged	2	2	2	2	2	2	2	2
Social amenities management services planned versus provided	No. of skills development projects implemented at the Thusong Centres	2	6	2	6	6	6	6	6
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the 2014/15 Budget/IDP round; *'Current Year' refers to the targets set in the 2015/16 Budget/IDP round. *'Following Year' refers to the targets set in the 2016/17 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.									

CHAPTER 3

T3.12.3

CHAPTER 3

Employees: Library and Museums Services					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0%
5-4	2	1	1	0	0%
7 – 6	1	2	2	0	0%
8-7	2	0	0	0	0%
9-8	5	6	5	1	17%
10-9	29	29	26	3	12%
12-10	22	25	19	6	24%
15-13	76	85	66	19	22%
Total	137	148	119	29	20%
Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.					

T3.12.4

Financial Performance Year 2015/16: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
R'000					
Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-259	11 209	13 910	–	
Expenditure:					
Employees	12 828	25 041	24 883	–	
Repairs and Maintenance	0	1 000	1	–	
Other	4 057	12 474	13 037	–	
Total Operational Expenditure	16 885	38 515	37 921	–	
Net Operational Expenditure	-17 143	(27 307)	(24 011)	0	
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					

T 3.12.5

CHAPTER 3

Capital Expenditure Year 2015/16: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
R' 000					
Capital Projects	Year 2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	11 938	17 330	15 046	21%	
Purchase of Books	4 000	4 000	3 997	0%	
Book Security (New Kagiso Ext 6 Library)	171			0%	
Guardhouse for Kagiso Library	350	417		0%	
Installation of Service Lift (Krugersdorp Library)		336		0%	
Jungle Gym		27	27		
Refurbishment of libraries		650	157	100%	
Kagiso Ext 12 (Guardhouse)		417	935	100%	
Tarlton Library (Guardhouse)		417		0%	
Office Furniture		1 487	1 406	100%	
Refurbishment of Ubuntu Arts and Culture Centre	400	400	443	10%	
Office furniture & equipment		80	1	100%	
Computers and Printers		50	43	100%	
Office Furniture and Equipment		100	104	100%	
CCTV Cameras		200	175	100%	
Air Conditioners		200	175	100%	
Green Hostel Refurbishment		321		0%	
Coronation Park Development	1 676	1 493	1 482		
Munsieville Park Development	1 676	1 858	1 829	8%	
Muldersdrift Parks Development	572	1 438	1 291	56%	
Munsieville Park Gym Equipments	1 000	1 000	877	-14%	
Muldersdrift Park Gym Equipments	1 000	1 000	877	-14%	
Kagiso Regional Park Phase 2	94			0%	
Keywest Mall Gym Equipments		1 000	877	100%	
Kagiso Regional Park Gym Equipments	1 000			0%	
Renovating of Printing Shop		129	129	100%	
Digital Recorders x2		4		0%	
Old Kagiso Miners Area Side Fencing		8	8	100%	
Minor Plants & Tractor Equipment		48	42	100%	
Replacements of Fence: Game Reserve				0%	
IEM Office Expansion		252	169	100%	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					

T 3.12.6

CHAPTER 3

COMMENT ON THE PERFORMANCE OF LIBRARIES; MUSEUMS; COMMUNITY FACILITIES OVERALL:

Three new libraries were built in collaboration with the Gauteng Department of Sports, Arts, Culture & Recreation. Areas of construction include Tarlton, Rietvallei extensions 2 & 3 and Kagiso extension the total cost of this capital development has been R36, 342 324.00.

In addition, the Gauteng Provincial Archives are being built in Kagiso extension 6. This project started in the 2014/15 financial year and it is envisaged that it will be completed in the 2015/16 financial year. The total budget is R312m.

Another partnership project is the **Kagiso Memorial project**. The project is done in partnership with the Gauteng Department of Infrastructure Development, Department of sport, Arts, Culture & Recreation and Gautrain. Challenges have been encountered on this project resulted to delay in completion. No revised completion date has been received. The total cost of this project is estimated at R41m.

T3.12.7

3.13 CEMETORIES AND CREMATORIUMS

INTRODUCTION TO CEMETERIES

The Municipality is currently providing burial space in 9 cemeteries of which 4 are rural; 1 historical and remaining are urban cemeteries. Eight cemeteries are active, including the historical Burgershoop cemetery, which only caters for families who buried there in the past. The only cemetery not yet active is the West Haven Cemetery in Mindalore, which was recently bought from a private company. MIG funds had been approved for the development thereof (which had already commenced in 2015/16 financial year (FY). The Municipal Indigent Management Policy as adopted by Council ensures that several community members living in poverty receive free burials.

T3.13.1

CEMETERY	Total Burials (2015/16 FY) - ADULTS	Total Burials (2015/16 FY) - BABIES	Total Burials (2015/16 FY)
STERKFORTEIN	503	60	563
KAGISO	859	126	985
MULDERSDRIFT	24	7	31
MAGALIESBURG	56	11	67
AZAADVILLE	33	3	36
TARLTON	43	14	57
HEKPOORT	7	7	14
BURGERSHOOP	9	0	9
WESTHAVEN	0	0	0
Total	<u>1534</u>	<u>228</u>	<u>1762</u>

CHAPTER 3

Cemeteries and Crematoriums Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	2014/15		2015/16			2016/17	2017/18	
		Target	Actual	Target		Actual	Target		
Service Indicators		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)								
Open Space Management									
Open Space Management	% for completion of the ablation of facilities- Kagiso Cemetery Phase 1	Planning phase completed	Construction of entrance road, exit and entrance gate completed	Construction of entrance road, exit and entrance gate completed	100% of milestone completed in line with the plan	100%			
	% for completion of Upgrade of Kagiso Cemetery (Phase 2)	New target	Not applicable to financial year	New target	100% of milestone completed in line with the plan	100%		-	-
	Old Kagiso miners are site fencing	Not applicable to financial year	Not applicable to financial year	New KPI	100% of milestone completed in line with the plan	No evidence provided	-	-	-
Sterkfontein/ Muinsiville cemetery road network- Rural Cemeteries Upgrading	% completion for resurfacing km of road	Not applicable for financial year	Not applicable to financial year	New target	100% of milestone completed in line with the plan	100%		-	-
	% completion for the upgrading of	Not applicable for financial year	Not applicable to financial year	New target	100% of milestone completed in line with the plan	100%	-	-	-

CHAPTER 3

Magaliesburg, Tarlton & Hekpoort)	rural cemeteries								
WestHaven cemetery	% completion of the construction of Westhaven cemetery	Not applicable for financial year	Not applicable to financial year	New target	100% of milestone completed in line with the plan	100% planning completed	100% of milestone completed in line with the plan	–	–
<p>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the 2014/15 Budget/IDP round; *'Current Year' refers to the targets set in the 2015/16 Budget/IDP round. *'Following Year' refers to the targets set in the 2016/17 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</p>									T3.13.3

CHAPTER 3

Employees: Cemeteries and Crematoriums Services					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	1	1	1	0	0%
7 - 9	2	4	2	2	50%
10 - 12	15	14	9	6	36%
13 - 15	17	17	5	10	71%
Total	32	37	17	19	53%
Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.					

T3.13.4

Financial Performance Year 2015/16: Cemeteries and Crematoriums					
					R'000
Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-7 504	7 734	8 013	—	
Expenditure:					
Employees	1 797	1 797	1 764	—	
Repairs and Maintenance	516	2 180	2 504	—	
Other	495	2 224	2 377	—	
Total Operational Expenditure	2 808	6 201	6 645	—	
Net Operational Expenditure	-10 312	1 533	1 368	-	
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					

T 3.13.5

CHAPTER 3

Capital Expenditure Year 2015/16: Cemeteries and Crematoriums					
R' 000					
Capital Projects	Year 2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	10 962	13 954	12 247	10%	
Sterkfontein Munsieville Cemetery					
Road Network	280	20	23	-1127%	
Burgershop Cemetery Fencing	120	141	133	10%	
Kagiso Cemetery Upgrading Phase 1	390	390		#DIV/0!	
Kagiso Cemetery Upgrading Phase 2	7 657	10 957	9 948	23%	
Rural Cemeteries upgrading	268	199	48	-463%	
West Haven Cemetery	2 248	2 248	2 096	-7%	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					T 3.13.6

COMMENT ON THE PERFORMANCE OF CEMETERIES & CREMATORIALS F OVERALL:

Of the 9 cemeteries 4 are rural; 1 historical and remaining are urban cemeteries. Eight cemeteries are active, including the historical Burgershoop cemetery, which only caters for families who buried there in the past. The only cemetery not yet active is the West Haven Cemetery in Mindalore, which was recently bought from a private company. Plans are in place to revive the cemetery and MIG funds had been approved for the development thereof (which will commence in 2015/16 FY). The Municipal Indigent Management Policy as adopted by Council ensures that several community members living in poverty receive free burials.

For the year under review the Division continued to ensure the upkeep of all MCLM - owned cemeteries

A total of 662 burials were conducted between 1 July 2015 – 31 May 2016, of which 84 were babies and 578 were adults.

Westhaven Cemetery: Conceptual Plan completed; Expenditure for Consulting Engineers to follow; Tender process to be completed; Funds to be allocated to exiting approved service provider for preparation of land (sloping & levelling); DIEM will do supervision. Tender is being advertised on the web site, closing date is 3 June 2016. Funding will be allocated over two financial years.

Sterkfontein Cemetery Road Upgrading: Order requested from Stores (R150K transferred to finish ITC Network at DIEM Office Building); R20K to be paid for grading of road; The remaining road to be constructed is 500m x 7m wide and not enough funds to complete job; Within 2 years cemetery services to be provided at West Haven; No need to complete road; Will maintain road with grader; Potential savings of R110K

Burgershoop Cemetery Fence: 102m Palisade Fences constructed in April 2016. Insurance approved claim to replace portion of stolen fence

Rural Cemeteries Upgrading: Transfer of R48,436 to Minor Plant; Order issued for pothole repairs – Magalies Cemetery (R17K); Water network for Tarlton Cemetery (R25K); Replacement of Yo-Yo Tank at Magalies Cemetery and reinforcement of existing stand. Repaint of office Tarlton cemetery. (Requisition submitted to stores); Rest of budget to be allocated for pothole repairs and building maintenance - through orders issued by stores; No savings foreseen; Final upgrades to be completed in May 2016. Orders were given to device providers to revamp Magaliesburg cemetery

T3.13.7

3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

Service delivery priorities involve:

Developmental programmes for families living in poverty dealing with different focus groups (women, children, youth, people with disabilities), including indigent households.

HIV/AIDS management to create awareness on issues of HIV and AIDS, TB, Sexually Transmitted Infections and other chronic illnesses.

Providing support and fostering partnerships with NGO's through the Grant in Aid Programme. This programme also support the education of poor children pursuing tertiary studies.

T3.14.1

SERVICE STATISTICS FOR CHILD CARE

2013/2014: 1833 children reached in different developmental programmes.

2014/2015: 1193 children reached in different developmental programmes.

2015/2016: 1779 children were reached in different developmental and support programmes.

Holiday Programmes

The programme looks at keeping children constructively engaged and safe during school holidays. The children are kept busy with sports activities, informed on safety issues, child abuse and substance, life skills and human trafficking.

Support groups

The programme is conducted with children who are orphans and vulnerable. They are from families where there is adverse poverty and they often develop low self-esteem. The children are encouraged to believe in themselves and counselling is also conducted with them. It often helps to improve educational records. This programme is conducted in primary schools and the teachers assist in the identification of these children.

T3.14.2

CHAPTER 3

Child Care; Aged Care; Social Programmes Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets <								

CHAPTER 3

	support the elderly							
	No. of youth development projects implemented	4	5	5	6	6		
	No. of community based awareness campaigns facilitated on issues of HIV/AIDS	4	6	6	7	12		–
<p>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the 2014/15 Budget/IDP round; *'Current Year' refers to the targets set in the 2015/16 Budget/IDP round. *'Following Year' refers to the targets set in the 2016/17 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</p>								

T3.14.3

CHAPTER 3

Employees: Social Upliftment Services					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	1	1	1	0	0%
4 – 6	2	2	2	0	0%
7 – 9	9	12	9	3	25%
10 – 12	8	17	16	1	6%
13 – 15	12	14	10	4	29%
Total	32	46	38	8	17%
<p>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</p>					
T3.14.4					

Financial Performance Year 2015/16: Child Care; Aged Care; Social Programmes					
Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-259	78 876	84 667	–	
Expenditure:					
Employees	16 202	5 032	6 303	–	
Repairs and Maintenance		1	1	–	
Other	4 580	11 793	13 873	–	
Total Operational Expenditure	20 782	16 826	20 176	–	
Net Operational Expenditure	-21 040	62 050	64 491	–	
<p>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</p>					
T 3.14.5					

CHAPTER 3

Capital Expenditure Year 2015/16: Child Care; Aged Care; Social Programmes					
R' 000					
Capital Projects	Year 2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	7 351	6 791	4 664	-58%	
Burgershoop MPCC	3 351	3 351	1 279	-162%	
Refurbishment of Kagiso Pre-Primary School	4 000	1 200	1 252	-220%	
Computers and Printers		140	127	100%	
Refurbishment of Indigent Management Offices		1 100	912	100%	
Kagiso Thusong Service Centre		500	500	100%	
Sinqobile ECDC		500	594	100%	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					<i>T 3.14.6</i>

SOCIAL UPLIFTMENT HAD FIVE CAPITAL PROJECTS:

- Rehabilitation and Upgrade of Burgershoop MPCC: R3 351 051 allocated and R626 265.27 spent to date.
- Renovation of Indigent Management offices: R1 100 000 allocated and R95 170.05 spent to date.
- Sinqobile ECDC upgrade and extensions: R500 000 allocated and 100% spent.
- Kagiso ECDC upgrade and extension: R1 200 000 allocated and R616 387.56 spent to date.
- Renovation of Kagiso Thusong Service Centre: R500 000 allocated and R499 849.39 spent to date.

The aim was to improve the centres for safety and development of the children as well as the safety of communities who utilize Social Upliftment Community facilities

PROGRAMMES:

Poverty alleviation - the target for the financial year was 8, but the department managed to achieve 9 programmes.

Childrens programme - the department managed to achieve 5 programmes and to train 132 ECD practitioners.

Women and Men Empowerment - 9 programmes implemented

CHAPTER 3

Support for the disabled - 5 programmes were facilitated.

Elderly support - 6 programmes were facilitated.

Youth development - 6 programmes were facilitated.

Awareness of HIV/AIDS - 6 campaigns were facilitated in partnership with stakeholders.

Four Skills development projects were facilitated at Thusong Service Centres.

Four awareness campaigns facilitated on issues of HIV and AIDS.

Six capacity building initiatives implemented for HIV and AIDS volunteers.

229 170 people reached through the ward based door to door HIV and AIDS Programme.

14 Young people assisted to further their tertiary through Grant in Aid. The Municipality is paying for their tuition fees, books and accommodation.

T3.14.7

CHAPTER 3

COMPONENT E: ENVIRONMENTAL PROTECTION

This component includes: pollution control; biodiversity and landscape; and costal protection.

INTRODUCTION TO ENVIRONMENTAL PROTECTION

Environmental Management Division is responsible for providing guidance in relation to environmental regulatory services. In so doing, the Division is guided by the National Environmental Management Act (Act 107 of 1998) ensuring statutory compliance thereto as well as being informed by guidelines, strategies and frameworks. The aim is to reduce the negative environmental consequences of activities and to promote sustainable use of natural resource. Therefore, this Division covers the assessment of individual development projects and appraisal of development policies, plans and programmes.

T3.15.0

CHAPTER 3

3.16 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES)

INTRODUCTION BIO-DIVERSITY AND LANDSCAPE

MCLM falls within priority areas identified in the National Spatial Biodiversity Assessment and is home to a disproportionately high percentage of rare and threatened species and threatened ecosystems. A high proportion of South Africa's mining activity, heavy industry, commercial enterprise and urban population is found in bioregion, and consequently, the pressure for additional land transformation of the remaining natural ecosystems is very high, and opportunities for conservation of biodiversity using mechanisms such as protect areas are limited. These factors together make a bioregional plan, which is primarily aimed at informing land-use planning, an appropriate tool for addressing the threats to biodiversity in the Municipality.

There are at least 12 threatened plant species and 20 threatened animal species in MCLM and 8 vegetation types are listed as threatened under the provisions of NEMBA 2008. Aquatic systems are also under pressure in the bioregion; 83% of wetlands types and 33% of river types in the Municipality are listed as threatened. Just under two thirds of MCLM is in a natural or near natural state (63%), with urbanisation (6%), agriculture (28%) and mining (3%) together covering 37% of the Municipality. Critical Biodiversity Areas cover 27.5%; with CBA 1 (natural or near natural state) covering 27% and CBA 2 (cultivated landscapes which retain importance for threatened species) covering 0.5%. Ecological Support Areas cover a further 19% of the City; with ESA 1 (natural, near natural or degraded state) covering 13% and ESA 2 (transformed landscapes which retain importance for ecosystem processes) covering 6%. Protected Areas cover just over 2% of the West Rand District.

With the above in mind, this Office's top service delivery priorities were:

1. To provide biodiversity inputs in all relevant land use applications (consent use; rezoning; township establishment; engineering projects) in line with various decision support tools (i.e. Bioregional Plan; C-Plan 3.3; Provincial EMF; Climate Change Strategy – Adaptation & Mitigation Action Plan)
2. To ensure compliance with relevant statutory requirements related to biodiversity & conservation management (i.e. Urban Greening & Biodiversity Preservation Bylaw; NEM:BA; NEM:PA; NEMA) by means of inspections; compliance monitoring; participate in joint investigations with SAPS and Provincial EMLs; joint compliance enforcement);
3. To provide inputs on all open space development i.r.o. Sustainable Urban Drainage Systems; introduction/maintenance of Green Infrastructure & Ecological Infrastructure;
4. To initiate the process of preparing a strategic plan for Open Space Development that complies with the Open Space Framework of the Municipality; Open Space By-Laws (2007); and the Urban Greening & Biodiversity Preservation By-Laws (2007).

T3.16.1

SERVICE STATISTICS FOR BIO-DIVERSITY AND LANDSCAPE

1. Inputs by Biodiversity Specialists had been given on 59 land use applications and 15 EIA/EMPRs regarding biodiversity, integrated water resource management, integrated catchment management & landscape matters;
2. Biodiversity EMI involved with several cases in collaboration with the SAPS and Provincial EMIs regarding biodiversity crimes, which include compliance monitoring, investigations and joint compliance enforcement;
3. Biodiversity EMI involved with several cases of alleged contravention i.r.o. the National Water Act in conjunction with the Compliance Monitoring Unit of Department of Water & Sanitation (National Office);
4. Specialised inputs given in on several Landscape Development Plans for Private & MCLM projects in terms of Urban Greening & Biodiversity Preservation By-Laws. Income from Open Space Contributions from Township Developers who did not comply with statutory allocation of Open Spaces had been calculated to be R3,178,400.00 (i.e. for 4 Townships in MCLM)
5. Inputs by Biodiversity Specialists on Ecological Management Plan for the Krugersdorp Nature Reserve.

T3.16.2

CHAPTER 3

Bio-Diversity, Landscapes, Parks and other Policy Objectives Taken From IDP									
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	2014/15		2015/16			2016/17	2017/18	
		Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
Open Space Management									
<i>Parks planned versus provided</i>	Coronation Park development- % completion for the upgrade of electrical network	New target	Earthworks completed within available budget	Final Stage: Electrical network completed	100% milestones completed in line with the plan	80% of planning completed	100% milestones completed in line with the plan		
	Sterkfontein-Munsieville Cemetery network	Not applicable to financial year	Not applicable to financial year	New target	100% milestones completed in line with the plan	100%	100% milestones completed in line with the plan	–	
<i>Small park and development and upgrades</i>	% completion for the completion of Westhaven cemetery	Not applicable to financial year	Not applicable to financial year	New target	100% milestones completed in line with the plan	100% planning completed	100% milestones completed in line with the plan	–	–

CHAPTER 3

Muldersdrift Park Construction	% completion for the for the Muldersdrift Park	Site cleared	Construction of park not yet completed	Final stage: Construction of Park completed	100% of milestone completed in line with the plan	100%	–	–	–
Magaliesburg Park development	% completion for installation of electrical network for Magaliesburg Park	Site cleared	Construction completed	Final stage: Construction of Park completed	100% of milestone completed in line with the plan	100%	–		–
<p>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the 2014/15 Budget/IDP round; *'Current Year' refers to the targets set in the 2015/16 Budget/IDP round. *'Following Year' refers to the targets set in the 2016/17 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</p>									
T3.16.3									

CHAPTER 3

Employees: Bio-Diversity, Landscape and other					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	1	0	0	1	0%
4 – 6	2	2	2	0	0%
7 – 9	8	11	8	3	27%
10 – 12	24	44	17	27	61%
13 – 15	93	135	119	43	32%
Total	127	192	84	73	38%
Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.					

T3.16.4

Financial Performance Year 2015/16: Bio-Diversity; Landscape and Other					
					R'000
Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	138	281	–	-	
Expenditure:					
Employees	-	65	–	–	
Repairs and Maintenance	-	26	23	–	
Other	1 030	2 272	1 942	–	
Total Operational Expenditure	–	2 363	1 965	–	
Net Operational Expenditure	138	(2 082)	(1 965)	–	
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					

T 3.16.5

CHAPTER 3

CHAPTER 3

Capital Expenditure Year 15/16: Bio-Diversity; Landscape and Other					
R' 000					
Capital Projects	2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0		
Project A	0	0	0	0	
Project B	0	0	0	0	
Project C	0	0	0	0	
Project D	0	0	0	0	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					
Note: No capital budget allocated for 2015/16 Financial Year.					T 3.16.6

COMMENT ON THE PERFORMANCE OF BIO-DIVERSITY; LANDSCAPE AND PARKS:

1. Munsieville Park: 99% completed; remaining funds to be used for grass (R55 000).
2. Muldersdrift Park: 100% Completed for New Roads; Ablution Block; Storm Water Network; Landscaping; Play Areas; Picnic Areas; Walkways; Multi-Purpose Court; 90% Completed for new Entrance & Gate
3. Coronation Park: Engineering Costs for Design & Preparation of Tender; Remaining funds to be allocated for electricity network (First Phase 1: Including 2 x mini substations if adequate funds are readily available). The tender is being advertised on the web site.
4. Gym Equipment in 3 x Parks: Letter of Appointment completed; Construction of gyms circuit completed; Minor snag list to be completed by contractor

T3.16.7

COMPONENT G: SECURITY AND SAFETY

This component includes: Police (Traffic and Security Services)

INTRODUCTION TO TRAFFIC AND SECURITY & SAFETY

Traffic and Security in Mogale City Local Municipality comprise of Traffic (traffic law enforcement, by-law enforcement, speed law enforcement, execution of warrants, road safety education) and Security (guarding and management of electronic security systems). Security services are complemented with external companies to complement the internal human capacity and expertise. Services have so far been effective, currently the largest service in the West Rand region.

Traffic Law Enforcement

- * Traffic Control
- * Escorting of funerals
- * Monitoring and assisting with Special Events
- * Abnormal Load Escort
- * Accident Scene Management
- * Speed Law Enforcement (manually & camera)
- * Law Enforcement divided into three units: Magaliesburg, Kagiso, and Central

Achievements

1694 Roadblocks were conducted to check the roadworthiness on vehicles as well as execution of outstanding warrants.

With the operation of the M-Court the following cases was handled in Court:

- 32 989 Municipal traffic cases
- 10 906 Provincial traffic cases
- 2 076 No admission of guilt
- 233 J175 summonses where one person has more than three offences
- 21 Docket related cases
- 02 Reaching of parole conditions cases
- 15 Suspended licences

2. By-Law Enforcement unit

- * Events Management

- * Hawkers Management

- * Road Closures

- * Illegal Dumping

Municipal by-law enforcement

- * Monitoring of illegal posters and banners

- * Regulating trailer advertisement

- * Illegal advertisement enforcement

Achievements

4970 Inspections were conducted to reduce unlawful activities around Mogale City

Joint operations were conducted during unexpected hours by all Traffic & Security units

09 By-Law related cases were brought to the Traffic Court

3. Training & Warrant unit

- * Conduction of road safety campaigns

- * Training of new appointed Traffic Officers

- * Refresher course to Traffic Officers

- * External training

- * Monitoring of scholar patrollers

- * Conduction of road blocks on outstanding and untraceable warrants

Achievements

130 Road safety campaigns were conducted. The training section went to crèches as well as primary schools to educate learners on road safety aspects.

Special projects were held to inform the community of road safety and enquiries of fines: -

Kagiso

Key West mall

Azaadville

Kagiso mall

Muldersdrift

Magaliesburg

Measures taken to improve performance

- * Try to reach targets with minimum staff and limited resources
- * Regular staff meetings to achieve 100% satisfactory service delivery

Security unit

The core functions of the Security unit is to protect the council property. They are doing routine patrols as well as access control. The unit performs sport checks and monitor illegal land invasions

Achievements

100% response on incidents relating to protest and marches.

T3.20.0

CHAPTER 3

3.20 POLICE (MUNICIPAL TRAFFIC OFFICERS)

INTRODUCTION TO POLICE (MUNICIPAL TRAFFIC OFFICERS)

The responsibility of the Municipal Traffic Police and security, is the provision of effective road traffic law enforcement, implementation of municipal by-laws, safeguarding of the municipal assets.

T3.20.1

Traffic Officers Data				
	Details	2014/2015	2015/16	
		Actual No.	Estimate No.	Actual No.
1	Number of road traffic accidents during the year	4723	4500	4943
2	Number of infringements attended	440 505	440 000	372 008
3	Number of traffic officers in the field on an average day	82	90	95
4	Number of security officers on duty on an average day	56	56	52
		T3.20.2		

Concerning T 3.20.2

82 Traffic and 64 Security Officers are in the field daily. Due to shortage of staff, all officers are expected to be in the field.

T3.20.2.1

CHAPTER 3

Public Safety Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	2014/15		2015/16			2016/17	2017/18	
Service Indicators (i)		Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
Traffic services planned versus provided	Number of traffic citations captured		440 505		300 000	373 469			
	Number of road safety campaigns conducted	120	130	120	160	155			
	Number of roadblocks conducted for traffic law enforcement	1200	1600	1200	1700	1694			
	Number of inspections conducted on the by-law enforcement	1400	2000	1400	5000	4970			
Security services planned versus provided	% Reaction to land invasion through use of guards	100%	100%	100%	100%	100%			
<p>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the 2014/15 Budget/IDP round; *'Current Year' refers to the targets set in the 2015/16 Budget/IDP round. *'Following Year' refers to the targets set in the 2016/17 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</p>									

CHAPTER 3

Employees: Traffic Services					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	1	1	1	0	0%
4 – 6	3	19	16	3	16%
7 – 9	13	32	25	7	22%
10 - 12	50	256	143	113	45%
13 - 15	2	13	3	10	77%
Total	69	321	188	133	42%
Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.					

T3.20.4

Financial Performance 2015/16: Police/Municipal Traffic Officers					
R'000					
Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	135 698	24 017	27 761 841		
Expenditure:					
Police Officers	38 224	38 543	38 996 330		
Other employees	26 638	28 947	30 039 692		
Repairs and Maintenance	126	182	132 832		
Other	144 701	114 821	123 519 819		
Total Operational Expenditure	171 465	143 950	153 692 343		
Net Operational Expenditure	35 767	119 933	125 930 502		
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					

T 3.20.5

CHAPTER 3

Capital Expenditure 2015/16: Police					R' 000
Capital Projects	2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	NO CAPITAL PROJECT DURING THE 2015/16 FINANCIAL YEAR				
Shaded Net Carports	N/A	N/A	N/A	N/A	N/A
Recording Devices	N/A	N/A	N/A	N/A	N/A
Breathalyzers x8	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					T3.20.6

COMMENT ON THE PERFORMANCE OF POLICE OVERALL:

The Traffic and Security had only one capital project with regard to service delivery. Alco Test machines X 5 = R24 995.00. An amount of R25 000.00 was allocated to the project.

The machines were allocated to Magaliesburg, Kagiso and the CBD for the testing of people under the influence of alcohol while driving.

The aim was to first test drivers who are suspected to be under the influence of alcohol before nurses can draw blood.

The section is using the operational budget to perform the day to day functions and make use of services providers to perform some of the duties. The Traffic contravention system is rendered as well as the licence registration system to trace warrants during roadblocks.

The Security unit is using service providers to control the access points of the Council together with internal security guards, as well as the monitoring of the land to avoid land invasion.

T.3.20.7

CHAPTER 3

COMPONENT H: SPORT AND RECREATION

This component includes: sports fields; sports halls; stadiums; swimming pools; and camp sites.

3.23 SPORT AND RECREATION

INTRODUCTION TO SPORT AND RECREATION

Sports and Recreation Division provides the following services to the community of Mogale City:

The facilitation of the development programmes on sports and recreation in all the areas of Mogale City. These include the implementation of outreach programmes in local schools, ward games, cricket /soccer/netball clinics, learn to swim programmes and holiday programmes

- b. Provision of access to sport and recreation facilities for all communities in Mogale City
- c. Development and maintenance of sport and recreation facilities, turf maintenance and grading of playing fields to enable all communities to make use of them

T3.23.0

SERVICE STATISTICS FOR SPORT AND RECREATION

Head count benefitting from sport facility usage – 231 570

No. of sport and recreational programmes implemented – 8

No. of visits for sport fields maintenance - 1 600

Upgrading of Kagiso Sports Complex, phase 2 .

Other work done is as follows:

Perimeter wall at Azaadville Sports complex was completed

Heritage, Arts and Culture Development, Promotion and management

No of visitors and learners hosted – 2958

No. of Arts and Culture programmes implemented - 5

No of exhibitions staged – 1

T3.23.1

CHAPTER 3

Sports and Recreation Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets (ii)	2014/15		2015/16			2016/17	2017/18	
Service Indicators (i)		Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
Sports and Recreation development facilitation									
Sports and Recreation programme facilitation planned versus provided	No. of sport and recreational programmes implemented	8	8	8	8	8			
	No. of heritage arts and culture programmes implemented	4	4	4	8	8			
	No. of visits for sport fields maintenance	203 170	181 249	231 570	100%	100%			
Sporting facilities planned versus available	Stages for the construction of perimeter wall at Kagiso Sport complex	Upgrading of sports complex as per the designs completed	Administration Block is completed, Main entrance road completed, the grass on the two soccer fields has been laid and the mast lights have been installed.	Upgrading of sports complex as per the designs completed	Demolition of old building completed in line with project scope	Demolition of old building completed in line with project scope	Finalization of the upgrade of phase two at the facility to upgrade Tennis Court and Indoor gym with ablution facilities completed in June 2016		

CHAPTER 3

			Clubhouse structure is complete and internal finishes in progress						
Stages for the upgrade of Azaadville Sports Complex	Perimeter wall at Azaadville Sports Complex complete	Construction of the perimeter wall completed	Perimeter wall at Azaadville Sports Complex complete	Refurbishment of Azaadville Sports Complex initiated as per project scope	Refurbishment not yet completed	Refurbishment of Azaadville Sports Complex: High Mast lights; ablution facility; cricket club house; tennis court facilities to be completed			
Stages for the upgrade of Kagiso Ext 13 Sports Complex	Installation of mast lights	Installation of mast lights completed		Upgrade of Kagiso ext. 13 Sports Complex initiated as per project scope	Project practically completed	The upgrade of the Kagiso Ext 13 Sports Complex involved the renovations to the admin block, flood lights and installation of carports as well as repairs to the stormwater system. A budget of R 1,250 000 was allocated from council funds for this project. A contractor was appointed and work began in June 2016			
Stages for the upgrade	Upgrade of Lusaka Sport	Construction of new guard	Upgrade of Lusaka Sport	Upgrade of Lusaka Sport	Project practically	N/A			

CHAPTER 3

of Lusaka Sport Complex	facility completed	house completed, new entrance gate and paving completed. Renovation of the existing buildings complete. Trenching and installation of cables complete. The delivery of mast lights still awaited.	facility completed	Complex initiated as per project scope	completed			
Stages for the upgrade of the Azaadville Swimming Pool						Appointment of the contractor for the upgrade of Azaadville Swimming Pool and establishment of site		
Lewisham Tennis Courts						A budget of R 2, 531 920 was allocated for repair to the clubhouse and the construction of a mini soccer pitch at the Lewisham Tennis Courts. The appointment of the contractor was in April 2016 and this		

CHAPTER 3

						project will carry into the 2016/2017 financial year.		
Stages for the upgrade of the muldersdrift sports complex						Appointment of the contractor for the upgrade of muldersdrift Sports Complex and establishment of site		
Stages for the upgrade of Krugersdorp West Swimming pool	Appointment of the contractor for the upgrade of Krugersdorp West Swimming Pool	The report to appoint a contractor was presented at BEC and BAC, however all tender bids received came above the available approved budget.	Appointment of the contractor for the upgrade of Krugersdorp West Swimming Pool	Completion of the rehabilitation of the swimming pool	Building works 100% completed. Mechanical works not yet completed			
<p>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the 2014/15 Budget/IDP round; *'Current Year' refers to the targets set in the 2015/16 Budget/IDP round. *'Following Year' refers to the targets set in the 2016/17 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</p>								
								T3.23.2

CHAPTER 3

Employees: Sports and Recreation Services					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	1	1	0	0%
5-4	1	1	1	0	0%
7 –6	3	3	3	0	0%
8-7	4	13	4	9	69%
12-10	23	29	21	8	28%
13-12	21	32	16	16	50%
15-13	28	50	26	24	48%
Total	80	129	72	57	44%
Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.					

T3.23.3

Financial Performance 2015/16: Sport and Recreation					
R'000					
Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	16 429	22 181	20 609	11 737	-89%
Expenditure:					
Employees	53 766	56 264	57 642	57 499	2%
Repairs and Maintenance	7 055	6 452	6 206	6 215	-4%
Other	39 194	34 135	36 864	40 840	16%
Total Operational Expenditure	100 015	96 851	100 712	104 554	7%
Net Operational Expenditure	83 586	74 670	80 103	92 817	20%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					

T 3.23.4

CHAPTER 3

Capital Expenditure Year 2016: Sport and Recreation					
R' 000					
Capital Projects	Year 2016				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	23 602	24 728	14 804	-59%	
Upgrade of Kagiso Swimming Pool	1 676	1 176	481	-249%	
Azaadville Swimming Pool	1 676	1 176	380	-341%	
Upgrade of Muldersdrift Sports Complex	4 043	2 843	543	-645%	
Kagiso Ext 13 Sport Complex	1 574	1 250	1 041	-51%	
Kagiso Sport Complex	5 500	6 500	5 974	8%	
Lewisham Tennis Court	2 532	2 451	1 045	-142%	
Azaadville Sport Complex (Rainbow Stadium)	6 602	7 171	3 456	-91%	
Office Furniture and Equipment		50	33	100%	
Krugersdorp West Swimming		2 112	1 852	100%	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					
T 3.23.5					

CHAPTER 3

COMMENT ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL:

Kagiso Sport Complex

The project is underway, and the project is planned to end by June due to a request for extension of work to be done contractor.

Azaadville Sport Complex

Despite extensive challenges experienced with the contractor, practical completion is planned for early June 2016.

Krugersdorp West Swimming Pool

The installation of new electrical cable by our internal Building Maintenance section is anticipated to take place by month-end so that the issues with the filtration system are sorted out.

Muldersdrift Sport Complex

The contractor for this project was appointed in June 2016 and work has commenced. The scope involves the extension of the existing changing rooms, minor works on the existing building and construction of carports and a new multi-purpose court. This project is also multi year and will be completed in 2016/17 financial year with a total allocated budget of R 3 043 000.

Kagiso Swimming Pool

A budget of R1, 175 508 was allocated for the upgrade of this facility. The site was handed over in early May 2016. The scope of work included removal of the existing fiberglass lining, waterproofing of the swimming pool, tiling of the swimming pool, testing of the installed filtration system.

Azaadville Swimming Pool

The tender for the Upgrade of the Swimming Pool was split into two and the budget allocation of R3, 545 600 was allocated to both Minor Building Works together with the filtration of the swimming pool. This upgrade is a multi- year project and construction began in June 2016.

Lewisham Tennis Courts

A budget of R2, 531 920 was allocated for repair to the clubhouse and the construction of a mini soccer pitch at Lewisham Tennis Courts. The appointment of the contractor was in April 2016 and this project will carry into the 2016/2017 financial year.

Kagiso Ext 13 Sport Complex

The upgrade of the Kagiso Ext 13 Sports Complex involved the renovations to the admin block, flood lights and installation of carports as well as repairs to the storm water system. A budget of R1, 250 000 was allocated from council funds for this project. A contractor was appointed and work began in June 2016.

T3.23.6

CHAPTER 3

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ICT services, property services.

INTRODUCTION TO CORPORATE POLICY OFFICES, Etc.

Legal Services is mandated with the charge of ensuring that the municipality complies with all the regulations and legislations that are applicable to the Local Government environment. Municipality contractual interests are protected and also to ensure that the municipality is properly represented in all litigation matters.

Legal Services is tasked with providing legal support to the Municipality. In carrying out its mandate the division has three sections namely:

- **Civil and Labour Litigation**

The purpose of the section is to ensure that the municipality is represented in all litigious matters and the section contributions are more on defending the Municipality when sued. Further, the section also assists with the suing for damages on behalf of the Municipality. These activities have an impact on finances of the Municipality hence the provision of contingency liability.

- **Compliance and General Administration**

The purpose of the sub unit is to give timeous responses on all legal opinions; legal comments and advises to reduce legal risks.

- **Contracts and Service Level Agreements**

The purpose of the sub unit is to record contractual relationship that the Municipality enters with third parties. The sub unit has managed to issue 100% preliminary drafts within the agreed time frames.

Corporate Support Administration supports the Municipality with provision of Secretarial Support Services, Records Management and Property Management under the Auxiliary Services Section.

- **Secretarial Support**

The Secretarial Support Section is divided into two (2) divisions: Secretariat and Transport.

Secretariat:

The core function is to ensure proper management of all Council Committee meetings i.e. Convening the meeting; compiling the meeting pack (including the attendance register), taking minutes and ensuring that the minutes are delivered to the relevant department within 14 working days.

Transport:

The core function of the unit is to ensure the delivery of Municipal correspondences is done timeously and that the receipt of same is confirmed by means of signing in the delivery note. The transportation Councillors and Officials to meetings in and around the Province as and when required is rendered by this section.

• Records Management

The mandate of the section is to assist the Mogale City Local Municipality in recognising and keeping its records as important source of administrative, evidential and historical information. Records are vital to the Mogale City Local Municipality's current and future operations to support its core functions, to support operational efficiency and accountability and for awareness of its history and procedures.

• Auxiliary Services

The purpose of the section is to ensure that the Municipal Halls and Properties are in good condition and adequately equipped to be utilized by the communities and relevant stakeholders. To ensure the smooth running of the departments with regard to printing as we are providing service to same. To maintain all council premises and keep it in a good and safe working environment in line with legislation. The other core purpose of the section is to generate revenue for the Municipality by property rentals.

Monitoring and Evaluation division is responsible for Organisational Performance Management, Enterprise Risk Management, the Monitoring, Evaluation, Service Delivery Support and Compliance management during the financial year under review.

The **Marketing, Communication and Customer Relations Management** provides strategic marketing and communication leadership and support in the Municipal marketing and communications programs. This department also leads municipality by submitting input of the Marketing and Communication elements of the Strategy to the overall municipality strategy.

MARKETING

- This provides strategic leadership and support with regard to planning and managing marketing strategies, advertising, corporate identity management, branding, design, media placement and exhibitions.
- This department also assists in the distribution of municipality statements, documents and print products.
- Events coordination and management.

COMMUNICATIONS

- Communications provides strategic leadership and support with regard to planning and managing communication campaigns, communication research, website development, and media liaison.
- Public relations and publicity.
- Production and printing of Dikgang Tsa Mogale.
- Production and printing of staff news later.
- Placement of legislated documents on website.

CUSTOMER RELATIONS MANAGEMENT

- CRM provides strategic leadership and support with regard to planning and customer care management strategies.
- An information enquiry service is provided, where municipality services and ratepayers-related information can be obtained.
- CRM also maintains a database of contact information and profiles of ratepayers.
- CRM maintains a database of contact information (directories) and of Municipality role-players and provide an information enquiry service where residents can obtain information.

Provide brief introductory comments.

T3.24

CHAPTER 3

Legal; Corporate Administration; Monitoring and Evaluation; Marketing, Communications and Customer Relations Management Policy Objectives Taken From IDP									
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	2011/12		2012/13			2013/14	2014/15	
		Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
Business Leadership/Management									
Compliance to regulatory Framework	No. of Mid-year report submitted to the MM	1	1	1	1	1	1	1	1
	No. of Annual Report submitted to Council	1	1	1	1	2	2	2	2
	No. of IDP tabled in Council	1	1	1	1	1	–	–	–
	No. of Reports submitted to National and Provincial Departments	4	4	4	4	4	–	–	–
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the 2011/12 Budget/IDP round; *'Current Year' refers to the targets set in the 2012/13 Budget/IDP round. *'Following Year' refers to the targets set in the 2013/14 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.									
T3.724.3									

T3.724.3

CHAPTER 3

Employees: Corporate Admin, Legal, M&E, IDP, MIG, Marketing Services					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	7	9	8	1	11%
4 - 6	19	21	18	3	14%
7 - 9	60	23	16	7	30%
10 - 12	51	31	27	4	13%
13 - 15	56	21	21	0	0%
Total	193	105	90	15	14%
Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.					

T3.724.4

CHAPTER 3

CHAPTER 3

COMMENT ON THE PERFORMANCE OF LEGAL; CORPORATE ADMINISTRATION; MONITORING AND EVALUATION; MARKETING, COMMUNICATIONS AND CUSTOMER RELATIONS MANAGEMENT OVERALL:

During the financial year of 2014/2015, Legal Services had to device a system which will assist in the enhancement of its performance and also assist in risk mitigations. A Litigation Management Protocol\System was developed and circulated to other departments for comments and what is outstanding is to conduct workshop upon approval.

Further, training was offered to all the legal advisors through various academic institutions in an endeavour to gain more skills so that service delivery performance can improve more.

As alluded above relating to risk, a Contingency Liability Plan has been developed where all the liability and assets matters are recorded for monitoring purposes.

The Monitoring and Evaluation Division has with regards to institutional performance management assisted the municipality to attain a clean audit opinion on the audit of predetermined objectives for the 2013/14 and 2014/15 financial years. In a quest to obtain an unqualified audit opinion on institutional performance, the division has devised new approaches including amongst others the assessment of compliance management criteria on departmental performance reporting as per the Auditor-General prescripts and departmental quarterly performance review sessions to address any identified areas that require improvement. In addition a standard operating procedure on institutional performance management has been vigorously implemented to establish common understanding on performance planning and reporting.

The Monitoring, Evaluation and service delivery function focused on a number of planned and ad-hoc assignments. The Enterprise risk management continued to improve year on year. Strides made in this regard are the endeavor for heightened awareness of the importance of risk management through focused departmental engagement on risk management issues, consistent reporting on enterprise risk management mitigation actions both at strategic and operation level as well as the regular meeting of the risk champion's forum. In addition the municipality's relationship with the risk management unit within the Gauteng Provincial Treasury has improved in that the Strategic Support Plan for the municipality has been successfully implemented during the year under review.

Mogale City established a Risk Management Committee and Risk Management Champions' Committee. An independent chairperson has been appointed to chair the Risk Management Committee which includes heads of departments. In the 2015/16 financial year.

In ensuring that the top most government priority of job creation, the municipality devised strategies to improve performance on Expanded Public Work's Programme. The municipality has in the year under review by far surpassed the targets of the previous years. This has been through the mainstreaming of the programme through policy review and the reconstitution of the associated steering committee to include the participation of the Members of Mayoral Committee responsible for service delivery departments.

T3.24

3.24 EXECUTIVE AND COUNCIL

This component includes: Executive office (Executive Mayor; Councillors; and Municipal Manager).

INTRODUCTION TO EXECUTIVE AND COUNCIL

Mogale City Local Municipality has two management teams: a Political and an Administrative team. The political team made up of councillors and headed by an Executive Mayor and Mayoral Committee. This team makes Strategic and Policy decisions for the residents and businesses. The Administrative Team, headed by the Municipal Manager assisted by the Departmental Executive Managers, ensure that the political decisions that are made by Council are implemented.

T3.24.1

SERVICE STATISTICS FOR THE EXECUTIVE AND COUNCIL

Refer to the table below

T3.24.2

CHAPTER 3

The Executive and Council Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets (ii)	2014/15		2015/16			2016/17	2017/18	
Service Indicators (i)		Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
Broaden Local Democracy									
Ward Committee functionality rating	Establish ward committees	34 wards	34 wards	34 wards	34 wards	34 wards	34 wards	39 wards	39 wards
	Submission of monthly reports per ward	A report on the submission by the ward committees is attached as annexure.							
	Convening monthly meetings	12/ ward	35% of the target achieved.	12/ ward	67% of the target was achieved	Only 23 wards achieved their target.	Target set at 90%	Target set at 90%	Target set at 100%
Public Participation planned versus conducted	IDP/Budget meetings.	2 p/a	2 p/a	2 p/a	2 p/a	2 p/a	2 p/a	2 p/a	2 p/a
	Ward general meetings per ward per annum.	Quarterly meeting	Quarterly meeting	Quarterly meeting	Quarterly meeting	Quarterly meeting	Quarterly meeting	Quarterly Meeting	Quarterly meeting
	Stakeholder meetings	2 p/a	2 p/a	2 p/a	2 p/a	2 p/a	2 p/a	2 p/a	2 p/a
	Sector meetings	Quarterly	Quarterly	Quarterly	quarterly	quarterly	Quarterly	quarterly	Quarterly
	IDP/Budget meetings.	2 p/a	2 p/a	2 p/a	2 p/a	2 p/a	2 p/a	2 p/a	2 p/a
Council Committees functionality rating	MPAC oversight function and meetings.	Quarterly	Quarterly	quarterly	quarterly	quarterly	quarterly	quarterly	Quarterly.
	Section 80 committees	Monthly.	100%	monthly	100%	Monthly	100%	Monthly	100% target set.

CHAPTER 3

	meetings.								
Community queries/petitions received versus finalized	Overall responsiveness to petitions	100%	In the excess of 80%	100%	In the excess of 905	100%	96%	100% target set.	100% target set.
<p>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the 2014/15 Budget/IDP round; *'Current Year' refers to the targets set in the 2015/16 Budget/IDP round. *'Following Year' refers to the targets set in the 2016/17 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</p>									
T3.24.3									

CHAPTER 3

Employees: Executive and Council Services					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	3	3	3	0	0%
4 – 6	11	11	9	2	18%
7 – 9	4	7	5	2	29%
10 - 12	15	16	11	5	31%
13 - 15	27	34	32	2	6%
Total	60	71	60	11	15%
Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.					

T3.24.4

Financial Performance 2015/16: The Executive and Council					
					R'000
Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	3 347	4 645 800	2 819 862		
Expenditure:					
Employees	67 116	45 710 859	46 383 350		
Repairs and Maintenance	-	109 814	-		
Other	18 620	74 030 068	56 591 906		
Total Operational Expenditure	85 736	119 850 741	102 975 255	0	
Net Operational Expenditure	82 389	115 204 941	100 155 394	0	
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					

T 3.24.5

CHAPTER 3

Capital Expenditure Year 2015/16: The Executive and Council					
R' 000					
Capital Projects	Year 2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	1 000	830	470	-113%	
PMU Capex	1 000	30	30	-3283%	
Office Furniture (Ward Offices)		200	347	100%	
Office Equipment (Ward Offices)		200		0%	
Office Furniture		300	30	100%	
Laptops x4		40	19	100%	
Office Chairs x5		10	14	100%	
Air Conditioner		50	31	100%	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					
T 3.24.6					

COMMENT ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL:

WATER

Mogale City Local Municipality has prioritised the replacement of the old and decaying underground infrastructural pipelines in a quest to avert future collapse of the infrastructural network for water and sanitation.

In areas where it was established that the network is demonstrating capacity challenges arising from increase in the population and residential areas the solution of replacement of smaller pipes for bigger and newer ones has been prioritised.

Table T3.24.2 provides the percentages of access to water and sanitation per ward and is very relevant to accentuate the achievements of Mogale City Municipality in the delivery of various services.

ELECTRICITY SUPPLY

The municipality has been making provisions for increasing the firm supply capacity of the municipality over a number of years, condale substation has just been added to our supply grid to bolster the supply of electricity to the services areas of Mogale City.

SANITATION:

Communities throughout Mogale City have access to sanitation. Communities that reside in the informal settlements are still faced with the challenge of lack of sewerage system that can be effective in the management of the effluents, however Mogale City Local Municipality has in all those instances provided chemical toilets as an alternative to the basic norm.

T3.24.7

CHAPTER 3

3.25 FINANCIAL SERVICES

INTRODUCTION FINANCIAL SERVICES

Sound financial management practices are essential to the long-term sustainability of Mogale City Local Municipality, hence the reforms introduced by the Municipal Finance Management Act (MFMA). The key objective of the MFMA is to modernize municipal financial management. The MFMA and its regulations seek to address previously historical weaknesses in budgeting, accountability, reporting and provide tools for improving efficacy in the use of public funds. Effective financial management is critical for the Municipality. A lack of sound financial management will have a direct adverse impact on service delivery as there is a strong correlation between sound financial management and effective service delivery. Mogale City Local Municipality's financial department has six interrelated sections: Budget and Treasury Management, Revenue Collection Management, Credit Control Management, Valuations Management, Supply Chain Management and Expenditure Management. Each section contributes towards ensuring the effective and efficient financial management sustainability and viability of the municipality.

What is also worth noting is that our Financial Statements are prepared in full compliance to all the Standards of Generally Recognized Accounting Practice (GRAP). Furthermore, the objective of financial management is to prepare general purpose financial statements that provide information about the financial position, financial performance and cash flows of the Municipality that is useful to a wide range of users in making economic decisions.

The financial statements also show the results of management's stewardship of the resources entrusted to it. General purpose financial statements are those intended to meet the needs of users who generally are not in a position to demand reports tailored to meet their particular information needs. Users of general purpose financial statements include taxpayers and ratepayers, members of the legislature, creditors, suppliers, the media and employees. General purpose financial statements include those that a Municipality presents separately or within another public document, such as an annual report.

T3.25.1

CHAPTER 3

		Debt Recovery R' 000							
Details of the types of account raised and recovered		2014/15		2015/16			2015/16		
	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in Year	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected %	Billed in Year	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected %
Property Rates	R 347 652 000	R 377 794 676	98%		R 368 044 000	107%			
Electricity – B									
Electricity – C	R 825 404 000	R 732 431 466	96%		R 904 354 000	95%			
Water – B									
Water – C	R 222 567 000	R 195 018 519	86%		R 257 065 000	91%			
Sanitation	R 117 890 000	R 122 008 061	86%		R 132 037 000	85%			
Refuse	R 105 544 000	R 85 893 042	75%		R 110 378 000	75%			
Other	R 52 167 000	R 48 597 248	53%		R 36 173 000	53%		T3.25.2	
		B- Basic; C= Consumption. See chapter 6 for the Auditor General's rating of the quality of the financial Accounts and the systems behind them.							
T3.25.1									

CHAPTER 3

Concerning T 3.25.2

Directive extracted from AR template– The proportion of account value billed is calculated by taking the total value of the year's revenues collected against the bills raised in the year by the year's billed revenues.

T3.25.2.1

CHAPTER 3

Financial Service Policy Objectives Taken From IDP									
Service Objectives <									

CHAPTER 3

Employees: Financial Services					
(Job Level)	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	6	2	7	-5	-250%
4 - 6	46	12	48	-36	-300%
7 - 9	67	21	74	-53	-252%
10 - 12	65	12	57	-45	-375%
13 - 15	4	9	21	-12	-133%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	188	56	207	-151	-270%
Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.					
T3.25.4					

Financial Performance 2015/16: Financial Services					
					R'000
Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	556 462	473 941	530 940	564 799	16%
Expenditure:					
Employees	72 782	82 980	82 081	79 063	-5%
Repairs and Maintenance	9	33	29	17	-97%
Other	251 164	187 007	206 132	253 253	26%
Total Operational Expenditure	323 954	270 020	288 241	332 333	19%
Net Operational Expenditure	-232 508	-203 920	-242 698	-232 466	12%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					
T 3.25.5					

CHAPTER 3

Capital Expenditure Year 2015/16: Financial Services					
					R' 000
Capital Projects	Year 2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	1 000	2 066	1 613	38%	
Expansion of SCM Offices	1 000	840	756	-32%	
Printers		9	9	100%	
Printers		17	17	100%	
PS 10 Pressure Seal Machine		40	40	100%	
Office Furniture		100	82	100%	
Office Renovation		500	439	100%	
Office Furniture		25	25	100%	
Purchase Of Laptop		25	25	100%	
Rugged Tablets		80	74	100%	
Office Renovation		420	139	100%	
Office Furniture		10	8	100%	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T 3.25.6

COMMENT ON THE OVERALL PERFORMANCE OF FINANCIAL SERVICES

Directive extracted from AR template – Explain the priority of the four largest capital projects and explain the variations from budget for net operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from year 0 and/or previous year actuals, or expected future variations).

T3.25.7

3.26 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICE

For the year under review, the HCM Division has reached the great milestones in adding value to the Municipality. The seven Sections are well resourced and are now in position to adequately support the client departments. We have also moved towards professionalising the function by registering almost all the officials with South African Board for People Practice.

This registration affords the employees and opportunity for continuous development of their competencies and skills. Thus meaningfully making contribution towards the Municipality growth and development. This foundation augers well for taking the function to the great heights in achieving more for the milestones set.

With reference with the above, we are poised to continue improving our efficiencies by finalising the implementation of both the E-PM and SMARTHHR Systems. We have also commenced with rolling out the Task Job Evaluation System, the process that is managed by SALGA Gauteng. Training of all the officers who will be managing the system is still ongoing. It is hoped that to plan by June 2016, the system would be operational should all go according to the plans.

Our efficiencies are gradually improving and benefits are already noticeable.

T3.26.1

SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

For the year under review Learning & Development trained 390 employees on the following Municipal Key Performance areas:

Basic Service Delivery and Infrastructure Development.

Good Governance and the Deepening of Democracy

Municipal Transformation and Institutional Development & Municipal Financial Viability and Management. The budget utilized for the year under review is R1628127.

T3.26.2

CHAPTER 3

Human Resource Services Policy Objectives Taken From IDP									
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	2014/15		2015/16			2016/17	2017/18	
		Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
Resource Management/People Management									
Funded posts filled	% of approved requests received from MM vs. adverts placed on internal circular and notice or print media								
Competence development plan targets met	No. of training programmes implemented	12	53	12	12	51			
	No. of employees trained as per WSP	250	453	250	250	562			
	No. of induction programmes	04	04	04	04				
Labour Relations issues lodged versus attended to within regulatory guidelines	% reduction in labour related disputes referred to the Bargaining Council								
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the 2014/15 Budget/IDP round; *'Current Year' refers to the targets set in the 2015/16 Budget/IDP round. *'Following Year' refers to the targets set in the 2016/17 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.									

T3.26.3

T3.26.3

CHAPTER 3

Employees: Human Resource Services					
(Job Level)	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	1	1	1	0	100%
4 - 6	10	3	10	3	77%
7 - 9	20	24	20	4	83%
10 - 12	4	9	4	5	44%
13 - 15	0	0	0	0	0%
Total	35	47	35	12	74%
Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.					
T3.25.4					

Financial Performance 2015/16: Human Resource Services					
Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	1 046	965	13	533	-81%
Expenditure:					
Employees	24 887	33 630	23 786	15 413	-118%
Repairs and Maintenance	-	-	-	-	#DIV/0!
Other	9 395	16 342	10 465	8 423	-94%
Total Operational Expenditure	34 282	49 972	34 251	23 836	-110%
Net Operational Expenditure	33 236	49 007	34 238	23 303	-110%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					
T 3.26.5					

CHAPTER 3

Capital Expenditure Year 2015/16: Human Resource Services					
Capital Projects	Year 2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	60	59	100%	
Office Furniture and Equipments		60	59	100%	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					

T 3.26.6

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

Our quest to continuously improve the Human Capital Management function processes and practices is taking precedence. It is further becoming centre for growth and development. Although its contribution to the service delivery departments is underplayed, the mutual benefits within the Municipality are noticeable.

The year under review has become an epoch of contradictions. During the beginning of the third quarter of the previous year, the announcement of the regional move towards Metropolitan City was made. Immediately, **Moratorium** was sanctioned. Few weeks thereafter, the Metropolitan City notion was put on hold. However, **Moratorium** continued. This dampened the zest and spirits that seemed to have reigned supreme at the beginning of the year.

In our efforts to make a difference in the Municipality under these challenging circumstances, we filled sixty-five (65) positions that were approved under the new dispensation of the Moratorium. Currently, and at this juncture, those sixty-five (65) positions, which were filled have resulted into zero because we have lost all sixty-five employees through attrition.

As a result of the picture depicted above, we have the most critical positions left vacant. **(A perfect example is the critical position of the Executive Manager: Department of Infrastructure Services, which have been vacant since November 2014.)** The turnover rate is standing at 3.9% as compared to the 5.8% of the previous year.

The irony, is that even though the situation is as dire as this one, the service delivery needs and the expected deliverables have remained unchangingly high.

It is laudable to note that amid all these devastating circumstances, the Human Capital Management Division has stayed the course and has been very robust in keeping its head above the water. One can only associate this sterling character to the team spirit that binds the members together.

T 3.26.7

CHAPTER 3

3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes: Information And Communication Technology (ICT) Services

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The effective and efficient management of data, information and ICT systems is of critical importance to the success of MCLM. Knowledge and Information Management division implements and supports Information Systems NS applications, networks and communication services, user support and maintenance, ICT Governance etc.

The division is also responsible for ensuring that ICT Strategy and policies are in place that will administer the use of municipal ICT assets. There is a service desk that is dedicated to assist employees with ICT support. The division also ensures the provision of ICT equipment (desktops, laptops, printers etc.) to employees who use them as their tools of trade.

In 2015/16 ICT had no funding on CAPEX which resulted in some employees struggling to get computers. However during the adjustment budget the money to implement some of the projects was provided. ICT was also ensuring that Auditor General recommendations were implemented where possible.

T3.27.1

SERVICE STATISTICS FOR ICT SERVICES

Network downtime was attended with 24 and 48 hours depending on the priorities, except where the satellite dishes were to be replaced after they were struck by lightning which took 3 months.

Lightning has been an issue every year and the budget to install lightning protected switches in the areas prone to lightning has been requested for 2016/17.

Most of the time service desk calls are resolved based on the priority level as defined in the Service Desk SOP. Due to insufficient ICT staff and budget some calls are not attended as they should be.

T3.27.2

CHAPTER 3

ICT Services Policy Objectives Taken From IDP									
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	2014/15		2015/16			2016/17	2017/18	
		Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
Knowledge and Information Management									
<i>ICT Plan targets met</i>	Stages for the review of ICT strategy	-	-	ICT Strategy not reviewed	Draft ICT Strategy submitted to EXCO	ICT Strategy approved	ICT Strategy approved	-	-
	Stages for the Development of Knowledge Management Strategy	-	-	Submission of Knowledge Management Strategy to EXCO	Final Stage: Submission Knowledge Management Strategy to EXCO	Knowledge management strategy approved	Knowledge management strategy approved	-	-
	Review ICT Governance Framework	-	-	CGICT Governance Framework submitted to EXCO	CGICT Governance Framework submitted to EXCO	Approved but have been reviewed and submitted to Portfolio Committee	Approved but have been reviewed and submitted to Portfolio Committee	-	-
	No. of quarterly reports completed on operation of	4	4	4	4	4	4	-	-
<p>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the 2014/15 Budget/IDP round; *'Current Year' refers to the targets set in the 2015/16 Budget/IDP round. *'Following Year' refers to the targets set in the 2016/17 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</p>									

T3.27.3

Employees: KIM Services					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	1	1	1	0	0%
4 – 6	5	5	5	0	0%
7 – 9	12	12	12	0	0%
10 – 12	2	2	2	0	0%
13 – 15	0	0	0	0	0%
Total	20	20	20	0	0%
<p>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</p> <p style="text-align: right;">T3.27.4</p>					

Financial Performance 2015/16: ICT Services					
Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	13	1	4	17	92%
Expenditure:					
Employees	9 432	9 557	12 138	12 119	21%
Repairs and Maintenance	35	9	5	4	-114%
Other	22 206	30 775	49 794	44 969	32%
Total Operational Expenditure	31 673	40 341	61 938	57 093	29%
Net Operational Expenditure	31 659	40 340	61 933	57 076	29%
<p>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</p>					T 3.27.5

Capital Expenditure Year 2015/16: ICT Services					
R' 000					
Capital Projects	Year 2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	9 521	8 551	100%	
Network Equipment and Lightening Protection		90	90	100%	
Switches				0%	
Smart Grid Server		6 200	5 598	100%	
Acquisition of Voip Infrastructure		3 000	2 632	100%	
IFMS System (LIMMS)		231	231	100%	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					
T 3.27.6					

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

ICT did not have the capital budget which made it difficult to provide support to the employees.

Disaster Recovery/Business Continuity was not implemented due to financial constraints. However the budget was made available during adjustment budget, which meant ICT has less than 6 months to go out on tender and appoint/ procure required services. The budget that was provided during adjustment was for upgrading the Data Centre, procuring Voice over IP services, network support and network switches.

3.27.7

3.28 PROPERTY, LEGAL, RISK MANAGEMENT AND PROCUREMENT SERVICES

INTRODUCTION TO LEGAL; CORPORATE ADMINISTRATION; MONITORING AND EVALUATION; MARKETING, COMMUNICATIONS AND CUSTOMER RELATIONS MANAGEMENT

The purpose of the sub unit is to record contractual relationship that the Municipality enters with third parties. The sub unit has managed to issue 100% preliminary drafts within the agreed time frames.

PERFORMANCE OF THE SUB-UNIT IN TEMRS OF THE SDBIP

The sub-unit has managed to ensure that preliminary drafts are done and circulated within the prescribed time-frames.

The sub-unit has also drafted the Contract Protocol and same has been approved by all the committees. The workshop on same has also been conducted for all the department.

T3.28.1

SERVICE STATISTICS FOR LEGAL; CORPORATE ADMINISTRATION; MONITORING AND EVALUATION; MARKETING, COMMUNICATIONS AND CUSTOMER RELATIONS MANAGEMENT

A total of 88 of instruction were received to do contracts and 100% of the contracts have been done within 7 days

T3.28.2

Financial Performance 2015/16: Property; Legal; Risk Management and Procurement Services					
R'000					
Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	3 461	1	483	490	100%
Expenditure:					
Employees	7 509	18 925	20 613	8 473	-123%
Repairs and Maintenance	42	8 397	27	34	-24452%
Other	28 595	51 940	59 829	25 909	-100%
Total Operational Expenditure	36 146	79 262	80 469	34 417	-130%
Net Operational Expenditure	32 685	79 261	79 987	33 926	-134%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.28.5

Capital Expenditure Year 2015/16: Property; Legal; Risk Management and Procurement Services					
R' 000					
Capital Projects	Year 2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All		965	533	100%	
Compliance System	930	930	499	-87%	
Office Furniture		35	35	100%	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.)</i>					T 3.28.3

COMMENT ON THE PERFORMANCE OF LEGAL; CORPORATE ADMINISTRATION; MONITORING AND EVALUATION; MARKETING, COMMUNICATIONS AND CUSTOMER RELATIONS MANAGEMENT OVERALL:

Corporate Administration supports the municipality on minute taking; good records keeping and proper management of the municipality's properties.

Corporate Administration is categorized by three (3) sub-units namely:

Records Management Unit which is tasked to assist the municipality in recognizing and keeping its records as important source of administrative, evidential and historical information.

Auxiliary Services Unit which ensures that the municipality's properties are in good conditions and adequately equipped to be utilized by communities and relevant stakeholders. It is also tasked with providing printing services to internal stakeholders.

Secretariat Unit which deals with proper management of all Council Committee meetings, i.e. convening the meetings, minute taking, etc. The unit is also tasked with messenger services (drivers) of the municipality, i.e. Transporting councilors and officials to meetings, delivery of mails, etc.

Renting of halls and property helps the municipality generate revenue

T3.28.5

Chapter 4

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

(PERFORMANCE REPORT PART II)

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

INTRODUCTION

The Strategic Repositioning of the Human Capital Function :(HCM)

1. In context with our endeavors to successfully add value to the growth and development of the Municipality, it is imperative that the notion of strategically repositioning the HCM function is embraced and expedited. Core to advancing this notion are the three areas below needing exerted efforts.

1.1 Professionalization of the HCM Function:

To gear HCM up to the challenges of becoming the Strategic Partner to the Municipality, the Division has aligned itself with the South African Board for People Practice (SABPP). This is the first professional body world-wide to develop the Standards and Practices to ensure consistency and value add services to the Municipal development and growth. This is in line with the Government's mission to professionalize Local Government. This inspires and enthuses the officials to take their jobs seriously and ensure that they comply with the rules and the code of ethics. They are also encouraged to adhere to the requirement for their Continuous Professional Development, as such; they are expected to continuously enhance their competencies and skills.

HCM Divisional officials have all been registered in all the SABPP Professional Levels: Human Resources Technicians, Human Resources Associates, Human Resources Professionals, Chartered Human Resources Professionals and Master Human Resources Professionals. This is a great milestone was reached in the quest to add value to the enhancement of the municipal service delivery efforts.

This is an indispensable course that even SALGA is exploring to influence and assist other municipalities to follow for the purpose of professionalization of the HCM function in order to expedite the repositioning process.

During the year under review, almost all the officials in the HCM Division underwent training and development programmes to deepen their knowledge in the HCM function. This also gives comfort and confidence that the officials are poised and prepared to meet the needs of client departments.

Chapter 4

1.2 Capacity Building of the Identified Scarce, Critical Skills and the Potential Talent:

Capacity Building refers to the ability of the Municipality to interactively consider the appropriate interventions that ensure that Municipal capacity is addressed at Individual, Institutional as well as the Environmental level. It is crucial to always keep these levels in mind when planning for capacity building.

- **Individual Capacity:** The approach has been to consider the potential and competency or lack thereof found within the municipal employees usually displayed through their specific technical and generic skills, knowledge, attitude and behavior, accumulated through forms of education, training and experience, networks and values.
- **Institutional Capacity:** This also refers to the potential and competency or lack thereof found within the municipality and an organization. It includes Human Resources, (the collective individual capacities). It further encompasses the strategic leadership, organizational purpose, orientation, institutional memory, internal confidence, partnerships, intergovernmental relations, powers and functions, resources and support systems, infrastructure and financial abilities, structures, processes, culture and by-laws.
- **Environmental Capacity:** These are the factors that the municipality has little or no influence or direct impact on but that may be needed by the municipality. They are the external conditions that the Municipality may be able to harness.

1.3 Inspired Upward Mobility of the Developed Talent:

Relevant to the Strategic HCM Plan long range intention is to develop internal capacity, it is important that the municipality embarks on the journey of developing and implementing the succession and career planning for its employees. This will inspire active promotion of career planning and learning aligned to the Strategic HCM training programmes.

In view of this, the communication to employees in terms of the HCM Strategy has been open and direct in clarifying their roles in being part of the changing phenomenon of Human Capital Management function within the municipality.

2. Organizational Change and New Culture

2.1 Workplace Relationship:

The workplace has been polarized for far too long. This has been exacerbated by the lack of the will to recognize the co-existence and co-determination of the workplace players (Employer, Unions and Employees). In creating the need for the new perspective on this critical workplace terrain, the municipality has developed the Employee Relations Management Strategic Plan, that is progressive in nature and encapsulate the realities of the norms and values of the nation in transition and finding its true stature.

Chapter 4

The approach to demystifying the root causes of the workplace confrontational relationships, was to conduct series of impactful interventions: The three recent Enterprise Resource Management (ERM) Change and Role Clarification Intervention and the Performance Management System Intervention for the Unions and the other for the Executive Committee Members. Prior to these three interventions, series of the similar PMS interventions were facilitated for the other categories of the employees.

These interventions have assisted in setting the scene for new organizational culture and the need for improving the workplace relationships.

The recent interventions with the two Unions on the critical aspects of the efforts to building capacity and harnessing the relationships with stakeholders has been phenomenal. For instance, clarifying the role of Employee Relations Management function and the need for Performance Management Systems have been impactful in creating platform for cohesive team efforts.

3. Continuous Development and Improvement of Efficiencies within the Municipality

3.1 Implementation of HCM Strategic Plan:

In pursuance with of quest to improve our efficiencies, the municipality remain consistent in exploring the implementation of Human Capital Management and Development Strategic Plan. This is to ensure that decision makers are well informed on the current supply and the demand for people as well as the prioritized and strategic Human Capital Management actions to be undertaken. The implementation of the HCM & Strategic Plan will continue for the period 2015/2016.

3.1.1 Employee Performance Management System (EPMS)

Human Capital Management (HCM) Division in the year under review continues to focus on Municipal Efficiency Development and Improvement. Core to this quest was to continue implementing, embedding and cascading the Employee Performance Management System through-out the municipality. The progress is quite laudable. It is envisaged that things being equal, the system will finally be commissioned by end of the next financial year (2016/2017).

3.1.2 SMARTHR System:

The **SMARTHR System** is also reaching finality with implementation expected to fully **Go ON Live** by the end of 2016/17 financial year. Currently, the integration with Financial Management System is underway and progress is satisfactory.

3.1.3 TASK Job Evaluation System:

The other important project HCM Division is undertaking is to implement the Task Job Evaluation System. This project is being rolled out under the auspices of SALGA Gauteng and is driven as the regional project from the West Rand District Municipality. However, Mogale City Local Municipality is taking the lead in ensuring that it is successfully implemented. Training has already commenced. Currently, the regional committee headed by Mogale City's Specialist: Organisational Design, has been established and has commenced with its crucial work. It is hoped that by the end of the period 2016/2017 it would have been implemented. This will be yet another great milestone to have been achieved.

Chapter 4

The actual job evaluation process has commenced in earnest at our Municipality. Currently the prioritizing of the positions that have been identified as having blurring disparities. Once these have been completed, the holistic approach, which is more integrative will be pursued.

These three systems (i.e. E-Performance Management, SMARTHR and TASK Job Evaluation) are gradually but surely changing the culture in the Municipality. The entire Municipality's efficiencies are beginning to show great improvements. For instance, a gradual less use of paper is being realized and the performance seems to be on an upward trend in engendering activities of proper performance culture of an on-going oversight, monitoring and evaluation processes.

In as far as SMARTHR System is concerned; leave administration has become less cumbersome compared to the previous system. To date, Employee Self Services module which is paperless and user-friendly is being implemented.

Once TASK Job Evaluation is fully implemented, the job disparities among the various positions that are currently so prevalent will be history.

Successful implementation of these systems means that the Municipal performance will greatly improve. In order to ensure sustenance of the enhanced performance, and the continuous efficiencies improvement is unavoidable.

Over and above the three systems, which the municipality is praiseworthy about, The HCM Divisional function has been aligned with the SABPP Standards and Practices, which are derived from the Competency Model. Core to this Competency Model, are the four pillars of HCM professionalism namely: Duty to the Society: HCM have duty to society to deliver high quality HCM work that has an impact on society; Ethics: HCM professionalism should contribute to ethics in the Municipality and drive ethics in accordance with the SABPP HR guide; Professionalism: HCM professionals should manage themselves like true professionals in the standard of HCM work they deliver; HR and Business **Knowledge**: HR professionals must have good HR and sound business knowledge if they are to be successful as professionals and strategic business partners.

As professionally registered with the professional body, SABPP, the Manager: HCM and all the Specialists have become Ex-Officio Commissioners of Oath. This is a value add service to the community of Mogale City at large.

Contextually, the competency model gives assurance to the Municipality that given the necessary tools within the conducive working environment, the quality service delivery will prevail. Consequently, the pledge and commitment the HCM Division professionals made is that they will strive for continuous improvement of the services they are expected to deliver to the Client-Departments. Consistent with the idea of integration, which must occur irrespective of circumstance of any nature, the following factors are still critical and relevant:

I. Critical Factors in Human Capital Management & Development Planning:

The HCM divisional Strategic Plan is derived from the Municipal strategic Plan. The alignment which ensures the furthering of the Municipal service delivery is core to the implementation of the Divisional Strategic plan.

II. Integral Part of Municipal Planning:

Chapter 4

The HCM Division Vision and Mission remain part and parcel of the Municipal Strategic Plan. This ensures that HCM Division makes meaningful contribution to the growth and development of the Municipality.

III. Support and Commitment from Leadership:

The success thus far is underpinned by the commitment and support from the leadership.

IV. Senior Management should lead:

The Executive Management Team is involved in our processes and gives unwavering support in our achievement of our goals.

V. Allocation of Adequate Resources

Resources are scarce and as such very difficult to come by. However, whenever, a need arises, management always finds the way in which to avail the necessary resources in terms of funds and time etc. However, it is becoming of paramount importance for management to begin to value the critical role the HCM function is charged with and make it possible to fulfill it. This plea is made with regard to the allocation of equitable resources.

T4.0.1

Chapter 4

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Employees					
Description	2014/15	2015/16			
	Employees	Approved Posts	Employees	Variance	Variance
	No.	No.	No.	No.	%
Water	78	112	72	40	36%
Waste Water (Sanitation)	70	103	57	46	47%
Electricity	73	166	63	103	62%
Waste Management	224	292	214	78	28%
Housing	13	19	11	08	42%
Roads and Waste Water (Stormwater Drainage)	64	82	68	14	17.1%
Transport	40	43	40	03	7%
Planning	22	49	21	28	57%
Local Economic Development	21	27	24	03	11%
Community & Social Services	133	177	139	52	29.3%
Environmental	162	162	152	10	6.2%
Security and Safety	166	297	189	108	36.3%
Sport and Recreation	53	122	41	89	73%
Corporate Policy Offices and Other	536	634	519	115	18.1%
Totals	1657	2285	1610	697	31%

Headings follow the order of services as set out in chapter 3. Service totals should equate to those included in the Chapter 3 employee schedules. Employee and Approved Posts numbers are as at 30 June.

Note: Cognisance is taken on the correlation between statistical analysis in Chapter 3 and Chapter 4 due to the following reason:

The information was derived from individual Departments, in which, the reconciliation will require ample time to effect.

The process of integration by the newly effected SmartHR and BIQ are still in its embryonic stage however, assurance is provided that by the next Financial Year 2016/17 the system will be effective and accurate.

That the information will be verified by HCM through Organisational Development Section for the Staff Establishment and the actual filled positions.

T4.1.1

Chapter 4

Vacancy Rate: 2015/16			
Designations	*Total Approved Posts	*Variances (Total time that vacancies exist using fulltime equivalents)	*Variances (as a proportion of total posts in each category) %
	No.	No.	%
Municipal Manager	01	00	0%
CFO	01	00	0%
Other S56 Managers (excluding Finance Posts)	08	01	13%
Senior management: Levels 3 (excluding Finance Posts)	38	04	11%
Senior management: Levels 3 (Finance posts)	06	00	00%
Highly skilled supervision: levels 5-4 (excluding Finance posts)	89	19	21.3%
Highly skilled supervision: levels 5-4 (Finance posts)	16	02	13%
Total	159	26	16.3%
Note: *For posts which are established and funded in the approved budget or adjustments budget (where changes in employee provision have been made). Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.			

T4.1.2

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate*
	No.	No.	
2012/13	170	10	6%
2013/14	46	89	5.8%
2014/15	46	89	5.8%
2015/16	65	65	3.9%
Divide the number of employees who have left the organization within a year, by total number of employees who occupied posts at the beginning of the year			

T4.1.3

Chapter 4

COMMENT ON VACANCIES AND TURNOVER:

Vacancy rate is quite steep on highly skilled supervisory level but moderate on senior management where one (1) vacancy exists as at December 2014. During 2015/16 financial year, the Municipality experienced a turnover rate of almost 4%, resulting from natural attrition (terminations and retirement). There is a concern on exiting employees on supervisory level (highly skilled), retention strategy and realisation of retaining critical and scarce skilled staff are working progress. No vacancies exist on MM and CFO position. The only critical position that has been vacant since December 2014 is that of the Executive Manager: Infrastructure Services.

T4.1.4

Chapter 4

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

Note: MSA 2000 S67 requires municipalities to develop and adopt appropriate systems and procedures to ensure fair; efficient; effective; and transparent personnel administration in accordance with the Employment Equity Act 1998.

It is imperative for the Municipality to strive towards doing that which is right for it to mature in terms of growth and development instead of just complying with the relevant legislation. This will bring the most expected value to the Municipality. This is one of the areas HCM Division needs to diligently work on and improve.

There is a need to reconcile the human resources demand and supply. There is a need to strike the balance between the demand of the scarce and critical skills and the supply thereof. Subsequently, it is necessary to analyse the reality gap between the two in order to ensure that efficient and effective services are rendered to the client departments.

To meaningfully address the challenges always identified through situational analysis, there is a need to look at the big picture and have common view on what does the human resources really entails. Of paramount importance to this are the imperatives discussed below.

The Municipality cannot function well, and fulfil its mandate without a high level of capacity that is linked to, and dependent on human resources.

For the Municipality to function well, the following factors are crucial:

1. Setting clear and specific objectives that assist people understand their focus and priorities;
2. Design and develop an organisational structure that lend itself to effective use of employees and other resources, as well as quick and accurate decision making;
3. Devise the systems that make the work procedures more efficient;
4. Inspire the willing and competent officials to develop strategies for talent management in order to address the issues such as attraction, retention and succession planning which promote continuous learning and growth;
5. The Municipality to ensure the appropriate equipment and infrastructure to facilitate the work processes.

Relevant to the above, the Workforce Plan and Policy as well as practices planned for the next financial year: 2016/2017.

Other crucial aspects of Workforce Management are issues such Employment Equity (EE) Plan and GEYODI, which are well streamlined and are progressing well.

T4.2.0

Chapter 4

4.2 POLICIES

HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
1	Delegations, Authorisation & Responsibility			
2	Disciplinary Code and Procedures	100%	25%	2009
3	Employee Assistance / Wellness	25%	0	n/a
4	Employment Equity	100%	0	2009
5	Grievance Procedures	0	25%	n/a
7	Job Evaluation	100%	100%	2014
8	Leave	25%	0	n/a
9	Occupational Health and Safety	100%	100%	2014
10	Property Management Policy			
11	Official transport to attend Funerals	50%	0	
12	Official Working Hours and Overtime	100%	0	2009
13	Performance Management and Development	100%	75%	Prior to 2009
14	Recruitment and Selection	100%	0	2014
15	Sexual Harassment	100%	0	2015
16	Uniforms and Protective Clothing	100%	0	2014
17	Capacity Building for Councillors	75%	0	
18	Absenteeism Management	75%	0	
10	Acting & Acting Allowance	100%	0	2010
20	Locomotion Allowance	100%	0	2010
21	Personal Protective Equipment	100%	100%	2014
22	Probation Policy	100%	0	2010
23	Promotion & Succession Planning	100%	0	2010
24	Recruitment & Selection	100%	0	2014
25	Transfer & Secondment	100%	0	2011
26	Travelling, Subsistence & Accommodation Allowance	100%	0	2010
Use name of local policies if different from above and at any other HR policies not listed.				T4.2.1

Chapter 4

COMMENT ON WORKFORCE POLICY DEVELOPMENT:

We are still on course in developing the above plan, policy and practices in the period 2016/2017.

T4.2.1.1

Chapter 4

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Average injury leave taken per employee	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only	28	12		1	
Temporary total disablement	0	30		2	
Permanent disablement	0	0		0	
Fatal	0	0		0	
Total	28	42		3	

T4.3.1

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	**Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
Lower skilled (Levels 10-15)	5156	50%	1002	1343	3.84	
Skilled (Levels 7-9)	2022	51%	288	311	6.5	
Highly skilled production (levels 4-6)	1366.5	63%	235	237	5.77	
Senior management (Levels 0-3)	7	0	1	1	7	
MM and S57	-	0	7	7	-	
Total Cost to Company	829	52%	375	379	2.19	
Total	9380.5		1908	2278	25.3	

* - Number of employees in post at the beginning of the year
 ****Note:** The system is only able to draw sick leave taken and cannot separate sick with and sick without Doctors note. Notes.

T4.3.2

Chapter 4

COMMENT ON INJURY AND SICK LEAVE:

All injuries on duty are reported to the Occupational Health & Safety (OHS) Section which facilitates the completion of the correct Reporting forms (WC.12 Employer's Report of an accident sent to the Compensation Commissioner of Department of Labour) for all those injuries that require medical assessment/attention. And for minor injuries, employees receive first aid treatment from their sectional trained first Aiders or are referred to the Municipal Occupational Health Nurse who will treat, assess and refer to the hospital if necessary.

All incidents are investigated and recommendations made to ensure that no recurrence of similar accidents is experienced. The injured employee will be given the copy of the W.C.12 to use at the hospital of their choice. The employee will not use his/her Medical Aid card or cash to pay for the medical attention received at the hospital and in turn the hospital will send the bill to the Compensation Commissioner of the Department of Labour. After all consultations the injured must submit the progress and final medical reports to the OHS Section where they are forwarded to the Compensation Commissioner for processing.

For the year under review, a summary of reported work related incidents/injuries is as follows:

- 1) A total of 42 work related injuries were reported from July 2015 till end June 2016.
- 2) 12 of these injuries were referred to the Municipal Occupational Health Nurse where they received basic first aid treatments and were sent back to their respective work areas.
- 3) 30 of these incidents were injuries that required employees to be referred to the Hospital for further medical attention and examination.
- 4) During the year under review, there were NO Fatalities recorded in the Municipal Workplace.
- 5) The average sick leave days related to injuries on duty is around 3 days in most of the injuries where employees were booked off by the Doctors at the hospitals after attending to their injuries.
- 6) In terms of the estimated cost per injuries, this office is unable to quantify the estimated amounts due to the fact that the hospitals send the bill directly to the Compensation Commissioner of the Department of Labour and not to the municipality, they only say they will only issue the municipality with the injury bill only if the municipality will pay. All the hospital bills (which includes consultations X-rays, operation physiotherapy etc.) are sent directly to the Compensation Commissioner by the hospitals.

T4.3.4

Chapter 4

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalized	Date Finalized
Engineering Technician	Illegal Water connection.	06 November 2015.	Suspension uplifted on the 08 th of February 2016.	Disciplinary Hearing pending.
Specialist Water and Waste Water Network	Illegal Water connection.	06 November 2015.	Suspension uplifted on the 08 th of February 2016.	Disciplinary Hearing pending.
Pressure Release Valve Technician	Illegal Water connection.	29 October 2015.	Suspension uplifted on the 08 th of February 2016.	Disciplinary Hearing pending.
Manager Electricity	Illegal Water connection.	06 November 2015.	Suspension uplifted on the 08 th of February 2016.	Disciplinary Hearing pending.
Manager Electricity	Illegal Water connection.	26 February 2016.	The employee's suspension extended on 26 th of May 2016 to 27 th June 2016 pending institution of disciplinary hearing.	Disciplinary Hearing pending.
				T4.3.5

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalized
Nil.	Nil.	Nil.	Nil.
			T4.3.6

Chapter 4

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

The employee's suspension has since been uplifted in accordance with the provisions of the SALGBC Disciplinary Procedure and Code Collective Agreement (DPCCA) which prescribe suspension for a predetermined period of three (03) months, however SALGA has since issued circular No. 04/2016 dated 27 January 2016 wherein the operation of the DPCCA has been suspended until the promulgation of the new code. This in turn implies that the employer must invoke the Code of Good Practice which is a schedule to the Labour Relations Act No. 66 of 1995 (as amended). The suspension of Frikkie Erasmus on the 26th of February 2016 and the extension thereof on the 26th of May 2016 to the 27th of June 2016 was based on the Code of Good Practice since there is greater probability that he may interfere with the evidence and or witnesses pending the disciplinary hearing.

No disciplinary hearing on the Financial Misconduct was recorded on for the financial year 2015 – 2016.

T4.3.7

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INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

The Municipality has budget specifically for the capacity building of permanent staff. The budget is released annually for utilization by the departments. In addition to the training budget, the municipality allocate bursary funds for the study purpose as per the bursary policy stipulations. The challenge that are being currently encountered is that the bursary scheme does not cover post graduate studies. The municipality will be enforcing all departments to develop individual departmental training plans. In the meeting that was held between Labour and the Municipal Manager it was resolved that postgraduate studies should be funded and requires that the Learning and Development section to re-establish the Training Committee. The risk register require us to ensure that departments develop their annual training plans.

T4.4.0

Chapter 4

4.4 PERFORMANCE REWARDS

Performance Rewards by gender					
	BENEFICIARY				
Designation	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards Year 1	Proportion of beneficiaries within group
MM and S57	Female	3	3		
	Male	6	3		
Senior management (Levels 0-3)	Female				
	Male				
Highly skilled supervision (levels -6)	Female				
	Male				
Highly skilled production (levels 7-9)	Female				
	Male				
Skilled (Levels 10-12)	Female				
	Male				
Lower skilled (Levels 13-15)	Female				
	Male				
Has the statutory municipal calculator been used as part of the evaluation process?				Yes/No?	
<p>Note: MSA 2000 S51(d) requires that ... 'performance plans, on which rewards are based should be aligned with the IDP'... (IDP objectives and targets are set out in Chapter 3) and that Service Delivery and Budget Implementation Plans (developed under MFMA S69 and Circular 13) should be consistent with the higher level IDP targets and must be incorporated appropriately in personal performance agreements as the basis of performance rewards. Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the column (as illustrated above).</p>					

T4.4.1

Chapter 4

COMMENT ON PERFORMANCE REWARDS

Performance Assessments for the Section 57 Senior Managers are running a year in arrears. We have finished these for the financial year 2014/15. As much we can respond on them. The performance for Levels 0-3 will be scheduled soon

T4.4.2

Chapter 4

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management level	Gender	Employees in post as at 30 June 2015	Number of skilled employees required and actual as at 30 June 2016											
			Learnerships			Skills programmes & other short courses			Other forms of training (BURSARIES)			Total		
		No.	Actual 30 June 2015	Actual 30 June 2016	Target	Actual 30 June 2015	Actual 30 June 2016	Target	Actual 30 June 2015	Actual 30 June 2015	Target	Actual 30 June 2015	Actual 30 June 2016	Target
MM and S57	Female	3	0	0	0	0	0	3	0	0	0		0	
	Male	6	0	0	0	0	0	6	0	0	0		0	
Councillors and managers	Female	47	0	0	0		9	56		0	56		9	0
	Male	32	0	0	0		12	44		1	44		12	0
Technicians and associate professionals	Female	4	0	0	0		3	4		7	29		3	0
	Male	58	0	0	0		7	65		4	29		7	0
Professionals	Female	78	0	0	0		11	100		0	25		11	0
	Male	91	0	0	0		20	50		0	25		20	0
Sub total	Female	132	0	0	0		32			7	110		32	0
	Male	181	0	0	0		39			5	98		339	0
Total		313	0	0	0		62	328		12	208		62	

T4.5.1

Chapter 4

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
<i>Accounting officer</i>	1	0	1	0	0	0
<i>Chief financial officer</i>	1	0	1	0	0	0
<i>Senior managers</i>	7	0	7	4	0	4
<i>Finance manager</i>	5	0	5	5	0	5
<i>other Officials</i>	50	0	50	16	0	16
<i>Specialists</i>	8	0	8	8	0	8
Supply Chain Management Officials						
<i>Heads of supply chain management units</i>	1	0	1	1	0	1
<i>Supply chain management senior managers</i>	0	0	0	0	0	0
TOTAL						
* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)						

T4.5.2

Chapter 4

COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS:

During the year under review, the municipality spend R 800, 600. 00 towards compliance in terms of the MFMA Regulations and R1 989 696.00 on other learning interventions and most employees who are affected by the MFMA Regulations have been covered. The training and development section is fairly funded and have been given an opportunity by the CFO to spend our mandatory grants without difficulties.

The funding for training during the 2014/15 financial year remained stagnant and that created a hindrance on planned training intervention. The great challenge for the section remains the submission of training plans by the Departments. The training committee is not functioning as it supposed to as required by legislation, but plans are in place to revive it. The Municipality spent R1 800 696 on skills programmes, competency training and workshops. The number of employees that were trained for 2014/15 financial year amounts to 388. Expenditure on average is R3 500.00 per employee. Training interventions are not budgeted for by management level not even on even gender basis, budgeting is done according to the training needs of departments, and as a result the above table may seem unpopulated or even incomplete. Subsequently only the total figures could be provided.

T4.5.4

Chapter 4

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

The municipality remains heavily indebted to its employees' sterling performance. The municipality attracts the best in various fields but also deploys best practices in human capital management. To this end, the municipal budget expenditure on salaries remained 29 % of Operating Expenditure Budget, which is way below the prescribed National Treasury guideline of 33 %. The municipality continued to invest substantially in human capital development. The municipality received requests to assist other municipalities with Human Resource Capacity on a continuous basis in critical areas such as financial management, legal advice, procurement related services, internal auditing, asset management and public safety.

We have a staff compliment of one thousand six hundred and fifty seven (1657) warm bodies.

T4.6.0

4.6 EMPLOYEE EXPENDITURE

WORKFORCE EXPENDITURE TRENDS



Source: MBRR SA22

T4.6.1

Chapter 4

COMMENT ON WORKFORCE EXPENDITURE:

The Municipality's actual employee expenditure has speedily increased by 5% from R535, 024,239 in 2013/14 to R561, 799,985 in 2014/15 which clearly indicates an improvement in the number of vacant positions reflected on the approved organogram as the inflationary annual salary increase was below 7%. The increase of 5% (2014/15) as compared to 14% (2013/14) financial year was due to uncertainty of Municipal Demarcation Board process as well.

Therefore, the Municipality should continue to strive to fill vacant positions particularly that of engineers, electricians, qualified artisans, and a qualified junior council advocate and at least three qualified attorneys, in order to beef up specific departments within Council, which will benefit the entire Municipality. Filling these positions will result in improved service delivery to the communities and various stakeholders, because the municipality is growing at an enormous pace, so has service delivery demands increased, thus forcing Council to appoint more employees, to become more and more effective and efficient in its daily operations.

T4.6.1.1

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded Financial Year 2015/16		
Beneficiaries	Gender	Total
Lower skilled (Levels 15-13)	n/a	0
	n/a	0
Skilled (Levels 12-10)	n/a	0
	n/a	0
Highly skilled production (Levels 7-9)	n/a	0
	n/a	0
Highly skilled supervision (Levels 6-4)	n/a	0
	n/a	0
Senior management (Levels –Managers 5-3)	n/a	0
	n/a	0
MM and S57	n/a	0
	n/a	0
Total. No employee salaries were increased due to upgrade on their positions.		
Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the column (as illustrated above).		T4.6.2

Chapter 4

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
There were no jobs evaluated during the financial year under review				
				T4.6.3

Employees not appointed to posts not approved FY 2015/16				
Department	Level	Date of appointment	No. appointed	Reason for appointment when no established post exist
There are no employees appointed to positions not approved on the organizational structure				
				T4.6.4

COMMENT ON UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE:

1. No jobs were upgraded in the financial year 2015/2016 and there were no variances with the normal practice

T4.6.5

DISCLOSURES OF FINANCIAL INTERESTS

At the beginning of each financial year the Disclosure forms are distributed to all within council to declare their financial interests, the political office bearers and employees alike. The foregoing is done in order to comply with the Municipal System Act (MSA) and the Municipal Performance Regulations for Managers, where the latter is only applicable to the Senior Managers but excludes political office bearers.

In terms of the MSA, staff members and councilors are prohibited from doing business with any Municipality. It is for this reason that the Draft Ethics Management Programme of MCLM has been developed in order to set out the process of dealing and monitoring conflict of interest in the Municipality. For purpose of promoting good governance, as well as an open and accountable Municipality.

For further information on the above kindly refer to **Appendix J**

T4.6.6

Chapter 5

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

Mogale City achieved R 2.596 billion or 104% compared to R 2.504 billion budgeted (including capital grants), and R 2.607 billion was expended compared to R 2.612 billion in the adjustment budget, in other words we expended 99,8% of the budget. Main tariffs achieved R1.386 or 102% of the budgeted figure (R 1.353 billion), this rate is calculated using the billed income as stated on the Statement of Financial Performance. Property rates achieved R 438 million or 104% of the adjusted budgeted amount (R 421 million); on bulk purchases 95% (R 808 million) of the budgeted amount (R 848 million) was spent, this compared to the previous year comes to a 15,0% year on year increase.

T5.0.1

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

The application of sound financial management principles for the compilation of Mogale City's financial plan is essential and critical to ensure that the municipality remains financially viable and that sustainable municipal services are provided economically and equitably to all communities, this remains the ultimate goal.

The challenge is to do more with the available resources. The need to remain focused on the effective delivery of the core municipal services through the application of efficient and effective service delivery mechanisms is vital.

Financial overview

The year under review was challenging given the depreciation of the currency, in particular towards the end of the second quarter. The economic growth outlook has been revised downwards on a number of occasions, lately it is estimated that this calendar year the might not be growth at all. Interest rates are likely to remain where they are currently, or likely to go up should the Reserve Bank see the need to respond to the rand depreciation if it happens to cross the psychological level of R 15 to the dollar. If this happens, households will remain pressed by economic hardships, this may have serious implications for the collection rate going forward.

T5.1

Chapter 5

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Financial Summary R' 000						
Description	2014/2015	2015/16			2015/16 Variance to actual	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Financial Performance						
Property rates	394 494 590	368 043 579	420 617 274	438 295 041	16%	4%
Service charges	1 223 242 286	1 403 833 851	1 352 827 993	-1 385 468 882	201%	198%
Rental of facilities and equipment	3 315 643	3 447 269	3 250 547	3 315 643	-4%	2%
Interest earned - external investments	17 304 558	6 000 000	4 853 771	15 346 787	61%	68%
Interest earned - outstanding debtors	22 291 041	34 237 427	39 157 326	17 035 652	-101%	-130%
Dividends received	0	0	0	0		
Fines	107 414 989	23 522 182	26 999 730	135 658 401	83%	80%
Licences and permits	19 448	22 960	27 826	28 004	18%	1%
Agency services	22 184 201	22 692 393	22 184 201	24 960 831	9%	11%
Transfers recognised - operational	250 761 723	274 719 886	274 257 802	272 822 081	-1%	-1%
Other own revenue	116 280 507	63 001 039	137 706 329	2 923 041 324	98%	95%
Gains on disposal of PPE	2 548 246	50 000 000	50 000 000	0		
Total Revenue (excluding Capital transfers & contributions)	2 159 857 232	2 249 520 586	2 331 882 799	2 445 034 882	8%	5%
Employee costs	536 545 368	576 304 483	582 698 553	579 223 901	1%	-1%
Remuneration of councillors	25 254 320	31 225 302	26 882 291	26 690 207	-17%	-1%
Debt impairment	233 230 897	109 675 195	109 675 195	186 320 910	41%	41%
Depreciation & asset impairment	231 938 331	298 153 971	298 153 971	259 560 762	-15%	-15%
Finance charges	43 109 777	56 034 794	56 514 420	39 232 014	-43%	-44%
Materials and bulk purchases	699 766 361	937 613 400	932 100 595	884 668 943	-6%	-5%
Contracted services	195 884 662	222 536 765	248 942 598	243 139 189	8%	-2%
Transfers and grants	43 096 588	39 938 922	50 097 204	97 379 184	59%	49%
Other expenditure	295 840 166	321 591 858	307 130 888	290 678 233	-11%	-6%
Loss on disposal of PPE	0	0	0	0		
Total Expenditure	2 304 666 470	2 593 074 690	2 612 195 715	2 606 893 343	1%	0%
Surplus/(Deficit)	-144 809 238	-343 554 104	-280 312 916	-161 858 461	-112%	-73%
Transfers recognised - capital	99 242 842	141 156 741	171 889 446	151 917 602		-13%
Contributions recognised - capital & contributed assets						
Surplus/(Deficit) after capital transfers & contributions	-45 566 397	-202 397 363	-108 423 470	-9 940 859	-1936%	-991%
Share of surplus/ (deficit) of associate	0	0	0	0		
Surplus/(Deficit) for the year	-45 566 397	-202 397 363	-108 423 470	-9 940 859	-1936%	-991%
Capital expenditure & funds sources						
Capital expenditure						
Transfers recognised - capital	99 242 842	141 156 741	171 889 446	151 917 602	7%	-13%
Public contributions and donations	1 500 000	8 500 000	87 878 902	0		
Borrowing	174 075 486	37 269 071	67 269 071	63 046 902	41%	-7%
Internally generated funds	92 120 388	106 434 338	145 250 268	219 926 126	52%	34%
Total sources of capital funds	366 938 715	293 360 150	472 287 687	434 890 630	33%	-9%

Chapter 5

Financial Summary						
R' 000						
Description	2014/2015	2015/16			2015/16 Variance to actual	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Financial position						
Total current assets	612 461	404 345	408 889	568 894	29%	28%
Total non current assets	5 978 534	5 942 624	5 952 547	6 176 230	4%	4%
Total current liabilities	714 043	551 020	551 020	877 381	37%	37%
Total non current liabilities	750 578	512 076	484 394	746 315	31%	35%
Community wealth/Equity	5 126 375	5 283 873	5 326 022	5 121 428	-3%	-4%
Cash flows						
Net cash from (used) operating	251 293	199 977	235 447	372 633	46%	37%
Net cash from (used) investing	(398 868)	(220 581)	(253 812)	(467 886)	53%	46%
Net cash from (used) financing	216 768	(23 327)	(21 945)	(3 352)	-596%	-555%
Cash/cash equivalents at year end	69 192	(43 931)	(40 310)	(98 605)	55%	59%
Cash backing/surplus reconciliation						
Cash and investments available	165 853	67 343	81 810	67 292	0%	-22%
Application of cash and investments	389 900	60 557	42 063	504 434	88%	92%
Balance - surplus (shortfall)	(224 046)	6 786	39 747	(437 142)	102%	109%
Asset management						
Asset register summary (WDV)	5 382 900	5 493 899	5 493 899	5 578 758	2%	2%
Depreciation and asset impairment	231 938	251 615	281 809	259 561	3%	-9%
Renewal of Existing Assets	143 807	138 064	135 301	123 271	-12%	-10%
Repairs and Maintenance	66 562	80 295	50 522	77 080	-4%	34%
Free services						
Cost of Free Basic Services provided	4 699	101 010	101 010	6 231	-1521%	-1521%
Revenue cost of free services provided	32 447	115 369	115 369	40 847	-182%	-182%
No. of Households below minimum service level						
Water	13 115	12 833	12 833	12 833	0%	0%
Sanitation/sewerage	13 115	12 833	12 833	12 833	0%	0%
Energy	13 115	12 833	12 833	12 833	0%	0%
Refuse	13 115	12 833	12 833	12 833	0%	0%
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This						T5.1.1

Chapter 5

Financial Performance of Operational Services R '000						
Description	2014/15	2015/16			2015/16 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Operating Cost						
Water	293 647	328 455	332 978	394 383	16.72%	15.57%
Waste Water (Sanitation)	87 508	113 040	116 189	99 725	-13.35%	-16.51%
Electricity	627 631	788 981	771 659	704 873	-11.93%	-9.47%
Waste Management	143 031	148 709	145 041	149 841	0.75%	3.20%
Housing	8 254	13 186	13 458	13 352	1.25%	-0.79%
Component A: sub-total	1 160 071	1 392 371	1 379 325	1 362 174	(0)	(0)
Waste Water (Stormwater Drainage)					0.00%	0.00%
Roads	124 812	167 449	165 686	91 381	-83.24%	-81.31%
Transport	17 766	20 737	22 163	20 751	0.07%	-6.81%
Component B: sub-total	142 578	188 186	187 849	112 132	(0)	(0)
Planning				-	0.00%	0.00%
Local Economic Development	-	-	-	-	0.00%	0.00%
Component B: sub-total	-	-	-	-	-	-
Planning (Strategic & Regulatory)	13 708	16 620	16 839	15 971	0.00%	0.00%
Local Economic Development	21 295	29 560	27 000	44 758	33.96%	39.67%
Component C: sub-total	35 003	46 180	43 839	60 729	0	0
Community & Social Services	43 254	60 301	61 012	49 037	-22.97%	-24.42%
Environmental Protection	1 030	2 537	2 165	1 984	-27.85%	-9.12%
Health	230	270	268	280	3.78%	4.27%
Security and Safety	215 846	182 194	192 689	259 825	29.88%	25.84%
Sport and Recreation	100 015	96 937	100 527	104 554	7.28%	3.85%
Corporate Policy Offices and Other	606 639	624 099	644 521	656 178	4.89%	1.78%
Component D: sub-total	967 013	966 338	1 001 182	1 071 858	(0)	0
Total Expenditure	2 304 666	2 593 075	2 612 196	2 606 893	0.53%	-0.20%

COMMENT ON FINANCIAL PERFORMANCE:

Revenue

•Interest received

During 2015/16 there was an increase in the number of accounts handed over to debt collectors. These accounts ceased to accrue interest after handover as per section 6.12.4 of the approved credit control and debt collection policy.

•Income from agency services

Mogale City strategy of servicing the community on weekends is paying off, as a result of this many people come to the city offices to renew their licenses.

•Interest received investments

This is interest received on grant monies, long term financial asset (Rand Merchant Bank), and the roll-over loan.

•Fines

These are mainly amounts of fines issued and not yet collected.

•Other income

Included other income is the sale of land amounting to R 50m, the sale was put in abeyance and the income thereof budgeted to be received in the 16/17 financial year. The variance includes grants monies budgeted to be received from the Housing Development Agency which were subsequently not received in its entirety.

Expenditure

•Finance cost

The year to date expenditure on finance costs decreased as a result of capitalisation of borrowing costs, thus it will appear as if more funds were allocated for this cost item.

•Depreciation and amortisation

The variance was mainly as a result of the budget estimate, more funds were allocated in anticipation that most of the projects which are on the budget would be completed before or by year end, as it was not the case, then it meant that the allocated amounts for the depreciation of those assets would not be put use.

•Debt impairment

Chapter 5

This is mainly as a result of traffic fines issued and not collected, as a result they are subsequently written off.

- Assets Written off**

The amount is made up office furniture and equipment damaged beyond repair, a motor vehicle stolen, and road and storm water assets, community assets, electrical assets, all replaced.

- Collection costs**

The increase in collection commission paid is due to the increase in debt collections.

- Grants and subsidies paid**

This is largely due to a high number of indigent registered than anticipated.

- Repairs and maintenance**

The under expenditure under this item is because in the past years, a lot of assets have been capitalised, so most of them would still be new and therefore not in need of maintenance. And also partly due to the increased allocation of budget for unplanned maintenance which appears to have been minimal in the current year.

- General expenses**

The lower than expected expenditure is due to cost containment measures undertaken by the municipality, expenditure on non - core items have been kept at bare minimum,

T5.1.3

Chapter 5

5.2 GRANTS

Grant Performance						
R' 000						
Description	2014/15	2015/16			2015/16 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Operating Transfers and Grants						
National Government:	243,843	265,305	264,916	264,858	0%	-0,40%
Equitable share	238 641	259 185	259 185	259 185	0%	0%
Municipal Systems Improvement			961	961	-100%	0%
Water Services Operating Subsidy						
Finance Management	1 450	1450	1450	1 450	0%	0%
EPWP Incentive	2,052	1 266	1 266	1 266	0%	0%
MIG (PMU)	1,700	3 404	2 054	1 996	71%	3%
Other transfers/grants [insert description]						
Department of Water Affairs						
National Electrification Programme						
Provincial Government:	4,267	6,513	6,105	5,056	29%	21%
Housing						
Ambulance subsidy						
Sports and Recreation	4 267	6 513	5 625	4 882	33%	15%
EPWP						
Interns Grant						
HIV/AIDS (Door to door campaign)						
Social Development						
GDARD	0	0	480	174	-100%	176%
EPWP						
Other transfers/grants [insert description]						

Chapter 5

Aloecap	0		0	0	0%	0%
District Municipality:	2,652	2,902	2,902	2,905	0%	-0%
<i>WRDM</i>						
<i>District Management Area</i>	2,652	2,902	2,902	2,905	0%	0%
Other grant providers:	0	0	335	335	-100%	0%
<i>SETA</i>						
<i>WRDM Agricultural Mechanization Programme</i>	0	0	335	335	-100%	0%
<i>Bontle ke Botho</i>	0	0	0	0	0%	0%
Total Operating Transfers and Grants	250 ,762	274 720	274,258	273,154	1%	0%
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						T5.2.1

COMMENT ON OPERATING TRANSFERS AND GRANTS:

Note: The City has spent 97% of the adjusted operating allocation of the Municipal Infrastructure Grant (MIG) for improvements of service delivery to the community. The Finance Management Grant (FMG) has been fully utilized for the Remuneration of 5 Interns, and training and development of five (5) financial management interns, actuarial valuation and technical review of the annual financial statements. The Municipal Systems Improvement Grant (MSIG) was applied at 100% to fund the City's conversion/migration of the Financial Data Files from the BIQ System to the RAMCO System.

The Municipality has spent all of its Expanded Public Works Program (EPWP) on labor intensive programs. Thirteen (13) people were employed to do Cleaning and maintenance of cemeteries and parks across the City, thirty four (34) to do cleaning of main routes and the CBD, forty (40) to do cleaning of stormwater channels, roads and pavements, five (5) to assist the Licensing Section with administration duties to minimise waiting period by the applicant for application of Learners and driving licenses, two (2) to assist Traffic and Security Section with administration duties to complement the Public Safety Officers, four (5) to assist the public with information at the Thusong Service Centres and channel them to relevant offices for service and four (4) others on skills development on computer and assist with job hunting.

The City spent 87% of the SARC grant for the day to day operations of the libraries. The libraries are of great benefit to the scholars of Mogale City who use them as study and reference facilities and also to the community as a whole who also patronize the libraries for research purposes.

Chapter 5

The City spent 36% of the Environment Quality Management grant was used for removal of waste recycling, the balance of the grant will be utilized during the 2016/17 financial year.

The City spent 100% on HIV/AIDS Grant utilized for community outreach programmes, capacity building, stakeholder mobilization, outreach campaigns.

Agriculture Mechanism Programme Grant was fully utilized for the repairs and maintenance of rural development agricultural equipment.

T5.2.2

Grants Received From Sources Other Than Division of Revenue Act (DoRA)						
Details of Donor	Actual Grant 2014/15	Actual Grant 2015/16	2015/16 Municipal Contribution	Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant received, include description of any contributions in kind
Parastatals						
Housing Development Agency		68 677 275		30.06.2017		TUDOR SHAFT RELOCATION AND RESETTLEMENT PROGRAMME (KAGISO EXT 13)
Department of Water and Sanitation		5 000 000		30.06.2017		MUNSVILLE PROPER WATER PIPELINE REPLACEMENT
Foreign Governments/Development Aid Agencies						
EU Donor Funded Smart Grid Programme	1 500 000	8 500 000	5 701 627	30.06.2016	30.06.2016	Munisievville Smart Metering Conversions & Smart Metering in Public Buildings
West Rand District Municipality						
Municipal Water Infrastructure Grant		6 666 667		30.06.2016		Provision of Rural Water & Sanitation
Provide a comprehensive response to this schedule						T 5.2.3

COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES:

The Housing Development Agency donation was utilized for Tudor Shaft Relocation and Resettlement Programme (Kagiso EXT 13).

The Department of Water and Sanitation donation was utilized for Munsieville Proper Water Pipeline replacement.

The EU Donor Funded Smart Grid Programme was utilized for Munisievville Smart Metering Conversions & Smart Metering in Public Buildings.

The Municipal Water Infrastructure Grant donation was utilized for Provision of Rural Water & Sanitation.

Chapter 5

T5.2.4

Chapter 5

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

Asset management is a systematic process of deploying, operating, maintaining, upgrading, and disposing of assets cost-effectively. Effective management of infrastructure assets and other assets is central to the municipality providing an acceptable standard of services to the community. Infrastructure impacts on the quality of the living environment and opportunities to prosper. Not only is there a requirement to be effective, but the manner in which the municipality discharges its responsibilities as a public entity is also important. The Municipal Manager as the Accounting Officer is responsible for the management of the assets of the municipality, including the safeguarding and the maintenance of those assets.

T5.3.1

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2015/16

Asset 1		
Name	Munsieville Park	
Description	Community Asset	
Asset Type	Community Asset	
Key Staff Involved	Infrastructure Project Managers and Engineers, Asset Management Staff and Consultants	
Staff Responsibilities	Infrastructure Project Managers and Engineers: Construction of the Asset , Asset Management Staffs: Accounting Function and Consultants: Componentization	
Asset Value		2015/16
		R8 262 987,74
Capital Implications		
Future Purpose of Asset	Park for the Community	
Describe Key Issues		
Policies in Place to Manage Asset	Immovable Asset Management Policy and Procedures	

Asset 2

Name	Green Hostel
Description	Green Hostel Refurbishment
Asset Type	Community Asset

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Key Staff Involved	Infrastructure Project Managers and Engineers, Asset Management Staff and Consultants	
Staff Responsibilities	Infrastructure Project Managers and Engineers: Construction of the Asset , Asset Management Staffs: Accounting Function and Consultants: Componentization	
Asset Value		2015/16
		R7 520 566,64
Capital Implications		
Future Purpose of Asset	Providing Accomodation to the Community	
Describe Key Issues		
Policies in Place to Manage Assets	Immovable Asset Management Policy and Procedures	

Asset 3		
Name	Luipaardsvlei landfill site	
Description	Infrastructure Asset	
Asset Type	Community Asset	
Key Staff Involved	Infrastructure Project Managers and Engineers, Asset Management Staff and Consultants	
Staff Responsibilities	Infrastructure Project Managers and Engineers: Construction of the Asset , Asset Management Staffs: Accounting Function and Consultants: Componentization	
Asset Value		2014/15
		R14 914 647,86
Capital Implications		
Future Purpose of Asset	Refuse disposal site	
Describe Key Issues		
Policies in Place to Manage Asset	Immovable Asset Management Policy and Procedures	
T5.3.2		

Chapter 5

COMMENT ON ASSET MANAGEMENT:

The Municipality spends a significant amount of money on infrastructure assets annually to improve living conditions and service delivery to the residents.

T5.3.3

Repair and Maintenance Expenditure 2015/16				
				R' 000
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance	86 301 571	83 878 602	75 047 211	10.53%
				T5.3.4

COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

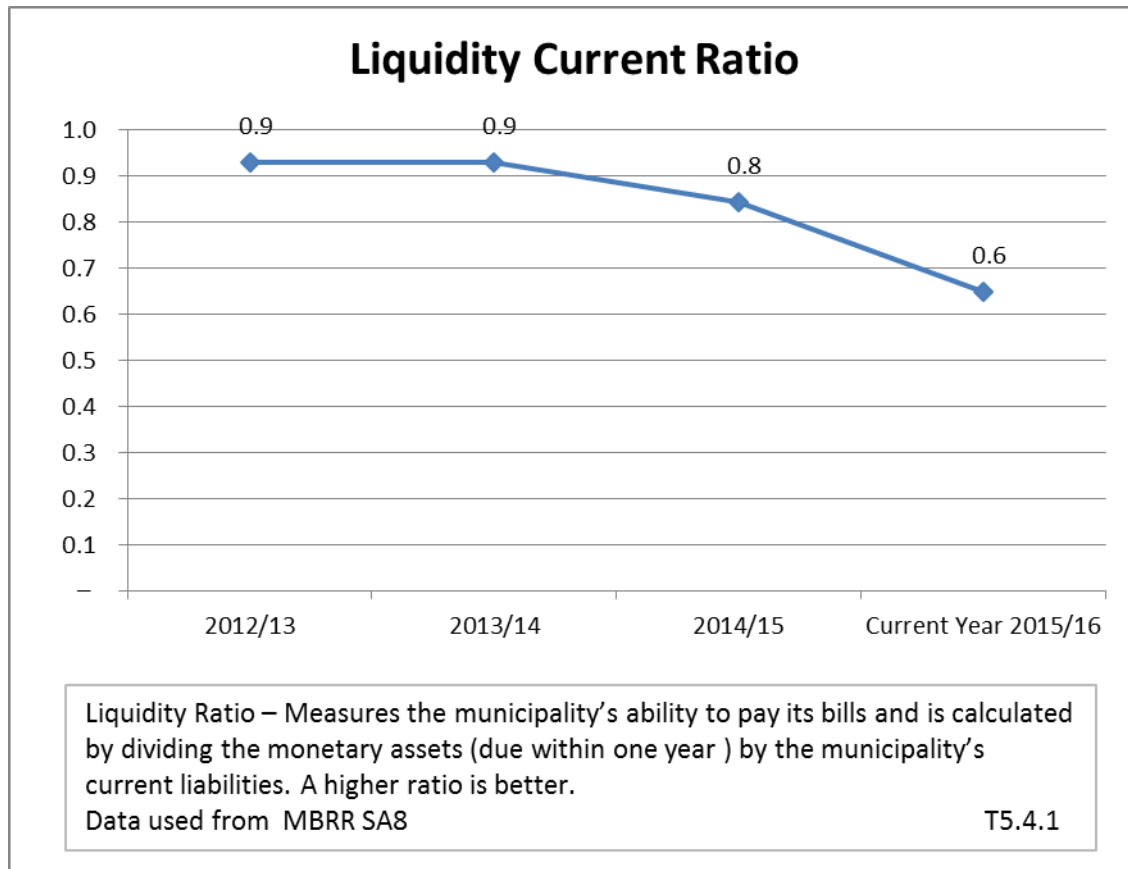
Expenditure on this item has improved in nominal terms over the past year as compared to prior year. There is an increase year on year on this item which comes to is 12, 7% as compared to expenditure in the 2014 / 2015 financial year (R 66 562 million). This happens concurrently with the strategy of the municipality embarking on plan to renew and replace aging infrastructure, this is yielding fruits.

T5.3.4.1

Chapter 5

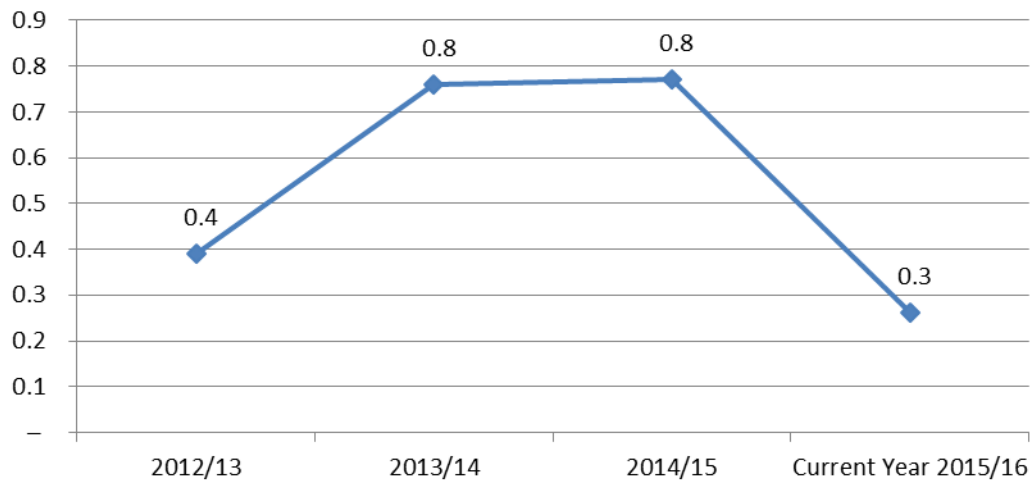
5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

T5.4.1



Chapter 5

Cost Coverage



Cost Coverage– It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants and is calculated

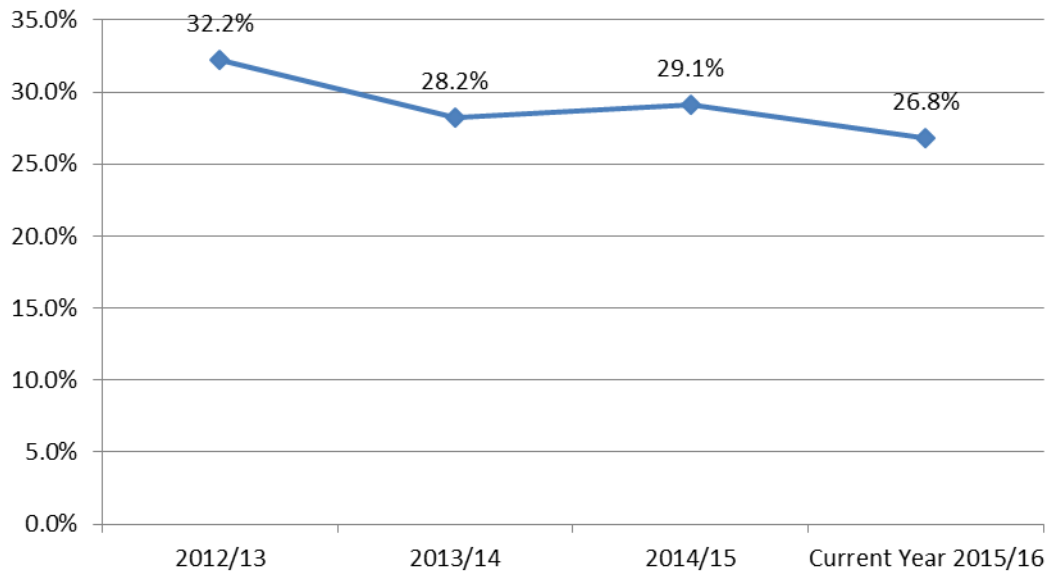
Data used from MBRR SA8

T5.4.2

T5.4.2

Chapter 5

Total Outstanding Service Debtors



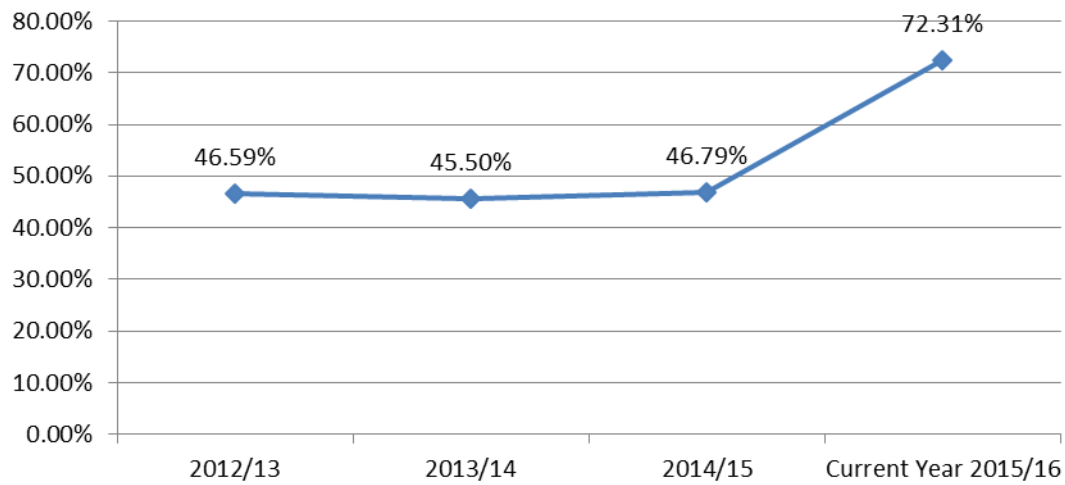
Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better. Data used from MBRR SA8

T5.4.3

T5.4.3

Chapter 5

Debt Coverage



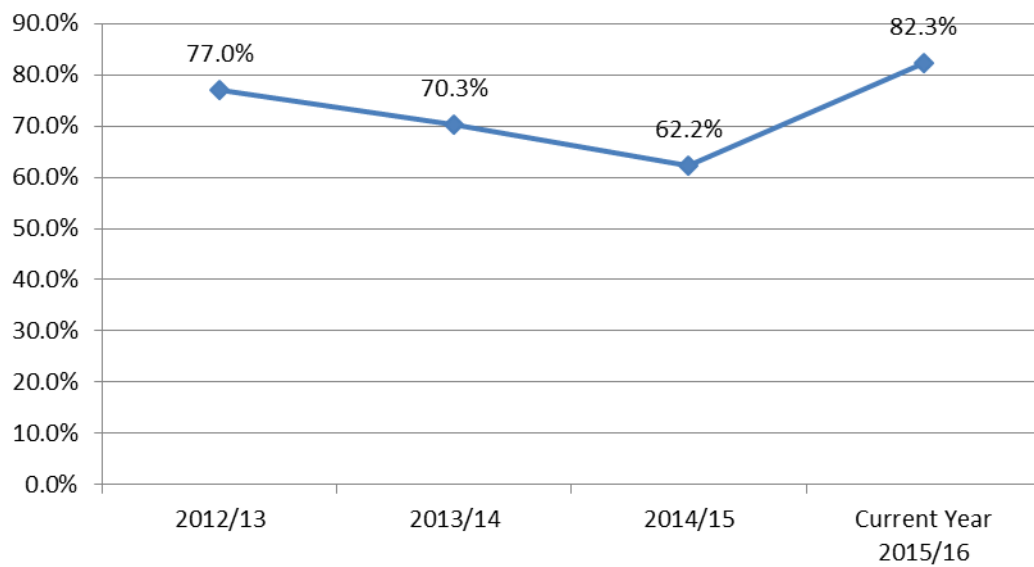
Debt Coverage– The number of times debt payments can be accommodated within Operating revenue (excluding grants). This in turn represents the ease with which debt payments can be accommodated by the municipality
Data used from MBRR SA8 T5.4.4

T5.4.4

Chapter 5

T5.4.5

Creditors System Efficiency

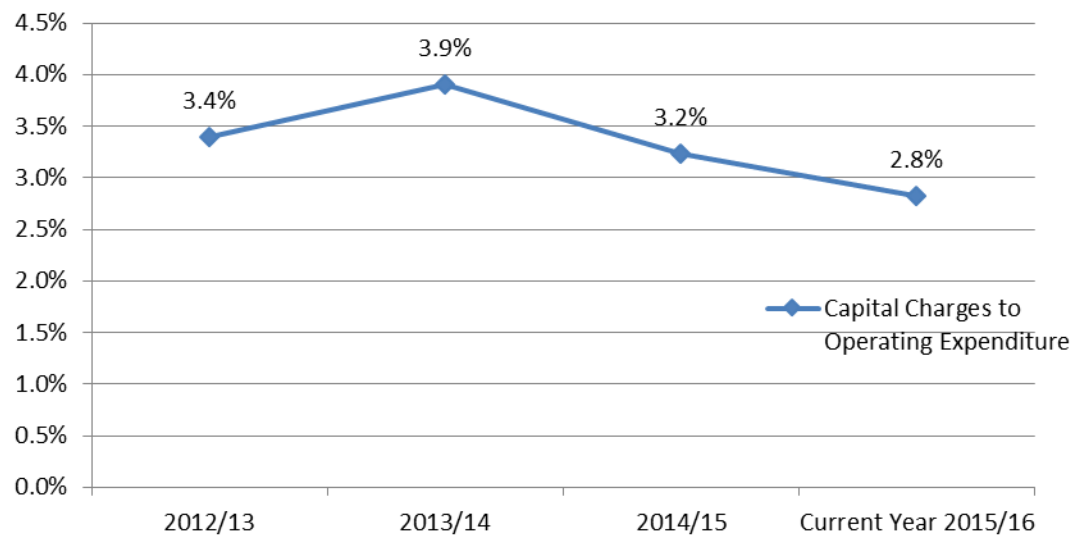


Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases
Data used from MBRR SA8

T5.4.5

Chapter 5

Capital Charges to Operating Expenditure



Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

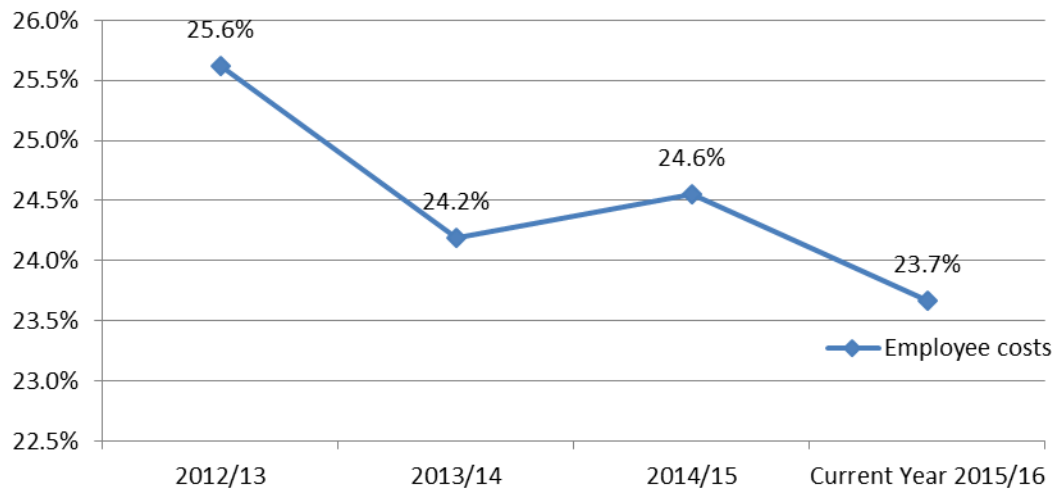
Data used from MBRR SA8

T5.4.6

T5.4.6

Chapter 5

Employee Costs



Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

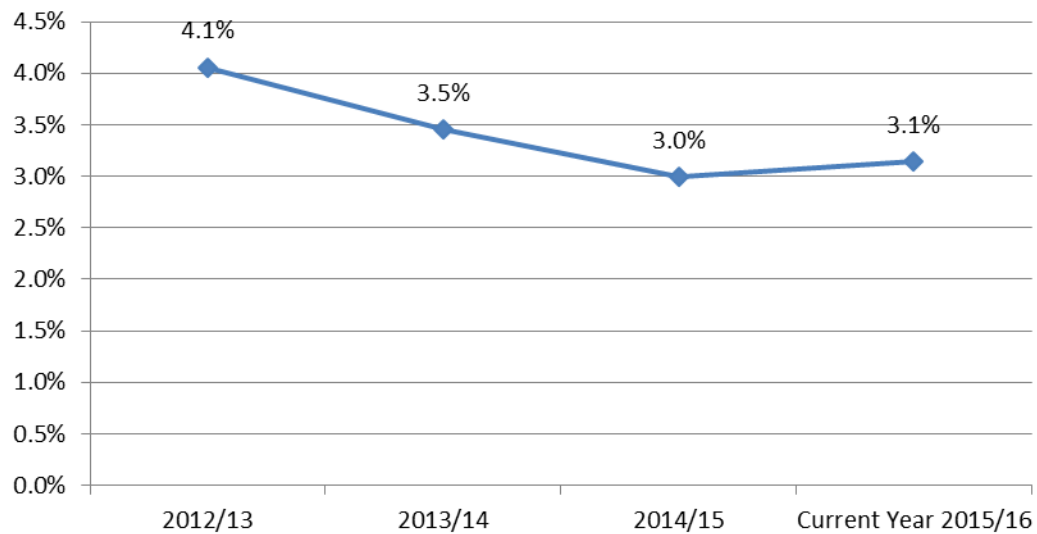
Data used from MBRR SA8

T5.4.7

T5.4.7

Chapter 5

Repairs & Maintenance



Repairs and Maintenance – This represents the proportion of operating expenditure spent and is calculated by dividing the total repairs and maintenance.

Data used from MBRR SA8

T5.4.9

T5.4.8

Chapter 5

COMMENT ON FINANCIAL RATIOS:

Liquidity ratio: there is a slight weakening in the liquidity of the municipality and at this stage it is becoming a cause for concern.

Cost coverage: the ratio showed sign of declining at 0,30 compared to 0, 80 compared recorded the previous year, the decline is cause for concern as it has also dropped below three year moving average for two consecutive years.

Total outstanding service debtors: there is a slight decrease in the percentage owed, the municipality has a credit control policy in place, and it appears that it is beginning to give positive results. At the current year percentage it is still below the three year average, which is a positive sign.

Debt coverage: the increase in this ratio is indicative of the improvement in the revenue collection versus the expenditure, we are managing to increase our debt coverage. This indicates that we are steadily managing to afford the debt we currently have in the books.

Capital Charges to operating expenditure: there is a slight decrease in the percentage of capital charges and also below the three months average. A closer look at the ratio reveals a decrease in the finance costs from the previous financial year as compared to the current year. This is a function of acceleration in capital redemption, this with the passage of time result into lower interest payments.

Employee costs: the proportion of this cost item as a percentage of total revenue has gone from 24, 6% in the 2014/15 financial year to 23, 6% in the current year, it is positive improvement as it also below the three months average, and the lower percentage indicates that less proportion of revenue is being spent of employee costs.

Repairs & Maintenance: There is a slight improvement on expenditure on repairs and maintenance, however it is below the three year moving average, any percentage below this mark still needs improvement despite the increase in proportion as compared with the previous year.

5.4.9

Chapter 5

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

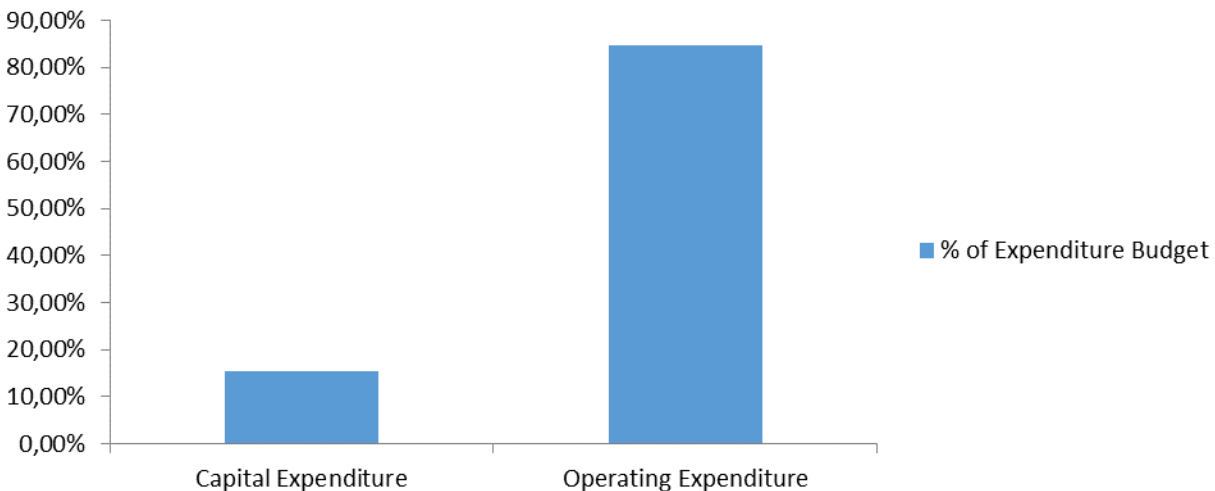
INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

The total original capital budgeted amounted to R 293 million as compared to R 472 million of the adjusted budget, MCLM budget increased by R 179 million or 38%. The adjusted budget comprised mainly of the following source of funding, namely conditional grants amounting to R165 million, a increase of 15%, as compared to the original budget of R 141 million, borrowing amounting to R 67 million as compared to the original budget amounting of R37 million, own funding amounting to R 148 million compared to R106 million of the original or 28% increase. It comprises of the following categories of funding. National government grant spending of the overall budget is 92%, provincial government grants spending 84%, External loan 94% and own funding 100%.

T5.5.0

5.5 CAPITAL EXPENDITURE

Capital Expenditure 2015/16



T5.5.1

Chapter 5

5.6 SOURCES OF FINANCE

Capital Expenditure - Funding Sources: Year 2015/16							
R' 000							
Details		Year 2014/15	Year 2015/16				
		Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance							
	External loans	202 175	37 269	67 269	63 047	80,50%	69,17%
	Public contributions and donations	1 500	8 500	84 469	64 989	893,75%	664,57%
	Grants and subsidies	99 243	141 157	171 889	158 584	21,77%	12,35%
	Other	94 020	106 434	148 660	148 271	39,67%	39,31%
Total		396 939	293 360	472 288	434 891	1035,69%	785,39%
Percentage of finance							
	External loans	50,9%	12,7%	14,2%	14,5%	7,8%	8,8%
	Public contributions and donations	0,4%	2,9%	17,9%	14,9%	86,3%	84,6%
	Grants and subsidies	25,0%	48,1%	36,4%	36,5%	2,1%	1,6%
	Other	23,7%	36,3%	31,5%	34,1%	3,8%	5,0%
Capital expenditure							
	Water and sanitation	56 819	56 819	129 778	136 383	128,40%	140,03%
	Electricity	37 236	37 236	45 788	35 700	22,97%	-4,13%
	Housing					#DIV/0!	#DIV/0!
	Roads and storm water	58 001	58 001	55 232	56 234	-4,77%	-3,05%
	Other	244 882	141 303	241 489	206 574	70,90%	46,19%
Total		396 939	293 360	472 288	434 891	#DIV/0!	#DIV/0!
Percentage of expenditure							
	Water and sanitation	14,3%	19,4%	27,5%	31,4%	#DIV/0!	#DIV/0!
	Electricity	9,4%	12,7%	9,7%	8,2%	#DIV/0!	#DIV/0!
	Housing	0,0%	0,0%	0,0%	0,0%	#DIV/0!	#DIV/0!
	Roads and storm water	14,6%	19,8%	11,7%	12,9%	#DIV/0!	#DIV/0!
	Other	61,7%	48,2%	51,1%	47,5%	#DIV/0!	#DIV/0!
T 5.6.1							

Chapter 5

COMMENT ON SOURCES OF FUNDING:

Spending on external loan was 94%. Spending on conditional grants was 92% and only a 8% was unspent due to certain projects to be finalized in the 2016/2017a budget year. Spending on surplus cash (own funding) was 100%. Our under spending on capital is less than 10% margin which shows excellent performance on the overall capital budget spending.

T5.6.1.1

Chapter 5

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects*					
R' 000					
Name of Project	Current: Year 2016			Variance: Current Year 2016	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Kagiso Ext 13 Housing Development		68 677	45 787	#DIV/0!	#DIV/0!
PR16 Sinqobile Phase 3 Roads and Stormwater	29 029	26 703	26 924	7%	8%
Paved Walkaways along Kagiso Drive	15 260	25 253	25 365	-66%	-65%
Site & Services Installation	27 000	24 000	26 186	3%	11%
Replacement of Munsieville Proper Water Pipeline		20 690	23 210	#DIV/0!	#DIV/0!
* Projects with the highest capital expenditure in Year 0					
Kagiso Ext 13 Housing Development					
Objective of Project	Relocation of Tudorshaft / Soulcity informal settlement. There are ward 16 informal settlements.				
Delays	Change to the scope of work and the contractor had to do additional 134 stands of which they were not serviced.Late delivery of material by the supplier (geysers)				
Future Challenges	Beneficiaries who will not qualify for allocation due to their status i.e Non South Africans, People that benefitted previously, High income bracket.				
Anticipated citizen benefits	453 subsidy forms were completed. 129 beneficiaries were verified by the province and ready for allocation. The remaining 344 subsidy forms were submitted to province for screening and verification. The process is ongoing.				
PR16 Sinqobile Phase 3 Roads and Stormwater					
Objective of Project	Construction Of Roads & Stormwater Infrastructure				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits	Surfaced roads to all residents				
Paved Walkaways along Kagiso Drive					
Objective of Project	Construction of ± 13,120km paved walkways and new taxi laybys on Kagiso .				
Delays	Community disruption encountered by causing stoppages on construction work				
Future Challenges	Implementing a sustainable incorporation plan of local subcontractors and local labour				
Anticipated citizen benefits	Job opportunites, smme development, skills transfer and neighbourhood upgrade				
Site & Services Installation					
Objective of Project	Provision of services to MCLM communities				
Delays	None				
Future Challenges	Purchase and identification of land whereby bulk services had to be installed				
Anticipated citizen benefits	MCLM community				
Replacement of Munsieville Proper Water Pipeline					

Chapter 5

Objective of Project	Upgrading the water network
Delays	Availability of funds
Future Challenges	None
Anticipated citizen benefits	Uninterrupted water supply
T 5.7.1	

COMMENT ON CAPITAL PROJECTS:

Mogale City Local Municipality has done well in the utilization of the capital budget funds for the 2015/16 year as the capital expenditure reached 92% of the total capital budget.

Many of community related projects were implemented and completed timeously resulting in improved service delivery to Mogale City residents.

T5.7.1.1

Chapter 5

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

T5.8.1

Service Backlogs as at 30 June 2015				
	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water				
Sanitation				
Waste management				
Housing				
% HHs are the service above/below minimum standard as a proportion of total HHs. 'Housing' refers to * formal and ** informal settlements.				

T5.8.2

Municipal Infrastructure Grant (MIG)* Expenditure 2014/15 on Service backlogs						R' 000
Details	Budget	Adjust- ment Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustm ent Budget	
Infrastructure - Road transport						
<i>Roads, Pavements & Bridges</i>	35 154	29 760	29 760	-18%	0%	
<i>Storm water</i>						
Infrastructure - Electricity						
<i>Generation</i>						
<i>Transmission & Reticulation</i>						
<i>Street Lighting</i>						

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Infrastructure - Water						
<i>Dams & Reservoirs</i>						
<i>Water purification</i>						
<i>Reticulation</i>	10 412	19 259	19 168	46%	0%	
Infrastructure - Sanitation						
<i>Reticulation</i>	19 331	3 002	3 002	-544%	0%	
<i>Sewerage purification</i>						
Infrastructure - Other						
<i>Waste Management</i>	4 296	3 504	3 504	-23%	0%	
<i>Transportation</i>						
<i>Gas</i>						
<i>Recreationl Facilities</i>	14 392	8 566	8 566	-68%	0%	
<i>Parks & Cemeteries</i>	9 594	14 635	14 635	34%	0%	
Other Specify:						
<i>Pmu Capital Project</i>	5	5	5	-4%	0%	
Total	93 184	78 731	78 640	-18%	0%	
<p>* MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</p>						

T5.8.3

COMMENT ON BACKLOGS:

T5.8.4

Chapter 5

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Importance of Cash Management and investments. Cash flow management and forecasting is a crucial step in determining if budget is funded over the medium-term. Mogale City's budget is compiled to make provision for non-payment of debtors to ensure that the budget is cash backed. The adjustment budget was compiled on the basis of a collection rate of 97%. Mogale city should maintain adequate monies at hand to meet the daily cash operating expenditure requirements of the municipality in order to provide quality service delivery. Mogale city should obtain maximum earnings on invested funds while ensuring municipal investment safety

5.9.0

Chapter 5

Cash Flow Outcomes				
R'000				
Description	Year -2015	Current: Year 2016		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	1,613,429	1,925,093	2,080,153	1,523,041
Government - operating	244,291	274,720	274,258	273,336
Government - capital	99,243	141,157	171,889	164,177
Interest	17,286	40,237	44,011	15,347
Dividends	19	–		20
Payments				
Suppliers and employees	(1,679,865)	(1,977,841)	(2,156,324)	(1,564,055)
Finance charges	(43,110)	(56,035)	(56,514)	(39,232)
Transfers and Grants	–	(64,439)	(54,597)	
NET CASH FROM/(USED) OPERATING ACTIVITIES	251,293	282,892	302,875	372,633
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE		50,000	50,000	
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables				
Decrease (increase) in non-current investments				
Payments				
Capital assets	(398,868)	(293,360)	(472,288)	(467,886)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(398,868)	(243,360)	(422,288)	(467,886)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans				
Borrowing long term/refinancing	239,500			
Increase (decrease) in consumer deposits				
Payments				
Repayment of borrowing	(22,732)	(41,173)	(41,346)	(3,352)
NET CASH FROM/(USED) FINANCING ACTIVITIES	216,768	(41,173)	(41,346)	(3,352)
NET INCREASE/ (DECREASE) IN CASH HELD	69,192	(1,641)	(160,758)	(98,605)
Cash/cash equivalents at the year begin:	96,705	1,858	165,782	165,897
Cash/cash equivalents at the year end:	165,897	217	5,024	67,292
Source: MBRR A7				T 5.9.1

Chapter 5

COMMENT ON CASH FLOW OUTCOMES:

The net cash flow from operating activities as compared from the previous year indicates a major improvement, meaning the municipality managed to curb its supplies & employees as compared to the prior year. The net cash from flow investing activities as compared to the prior year increased drastically and this had an effect on the net cash flow from operating activities. The net cash flow from financing activities shows a negative effect on the cash flow as compared to the previous year due to the repayment of loans.

T5.9.1.1

Chapter 5

5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

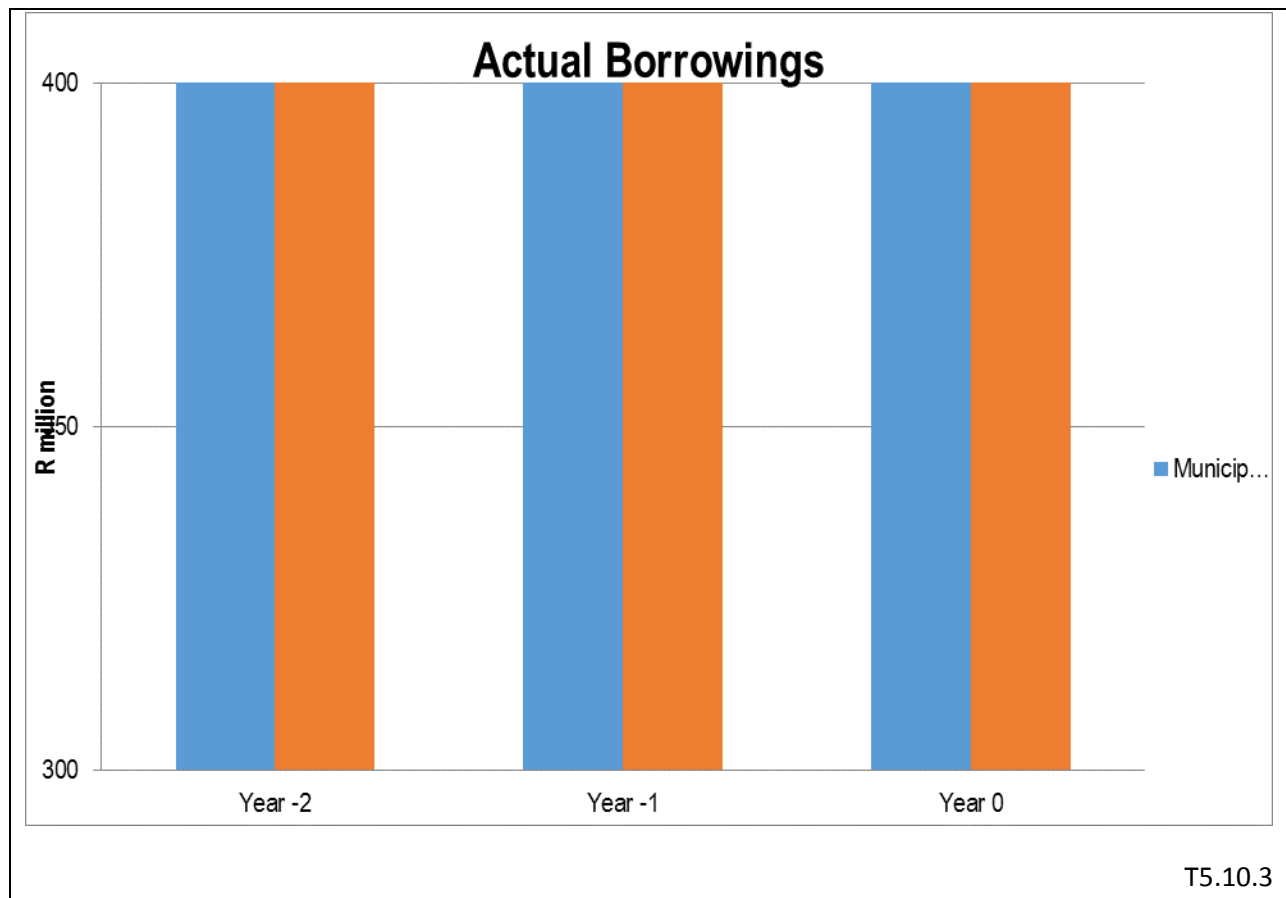
The MFMA specifies that borrowing can only be utilized to fund capital or refinancing of borrowing in certain conditions. Mogale City engages in a number of financing arrangements to minimize its interest rate costs and risk. The municipality invests money that is not immediately required and thus complying with Section 13(1) (b) of the MFMA. Mogale city should maintain adequate monies at hand to meet the daily cash requirements of the municipality while maximizing the amount available for investment.

T5.10.1

Chapter 5

Actual Borrowings: 2013/14 to 2015/16			
			R' 000
Instrument	2013/14	2014/15	2015/16
Municipality			
Long-Term Loans (annuity/reducing balance)	233 298	423 933	389 625
Long-Term Loans (non-annuity)	87 551	87 546	87 546
Local registered stock			
Instalment Credit			
Financial Leases	969	7 675	29 785
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Municipality Total	321 818	519 153	506 955
Municipal Entities			
Long-Term Loans (annuity/reducing balance)			
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Entities Total	-	-	-
T 5.10.2			

Chapter 5



Chapter 5

Municipal and Entity Investments			
	R' 000		
Investment* type	2013/14	2014/15	2015/16
	Actual	Actual	Actual
Municipality			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank	69 473	134 687	41 173
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)	53 935	61 608	70 294
Repurchase Agreements - Banks			
Municipal Bonds			
Other			
Municipality sub-total	123 407	196 295	111 467
Municipal Entities			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Other			
Entities sub-total	-	-	-
Consolidated total:	123 407	196 295	111 467
			T 5.10.4

Chapter 5

COMMENT ON BORROWING AND INVESTMENTS:

During the year under review the municipality secured no loan, the decrease on the actual borrowings as compared to prior year was due to the paying off of the FNB loan. The investment decreased drastically as compared to prior year mainly because of capital projects payments (i.e. capital grants), to avoid roll-overs.

T5.10.5

Chapter 5

5.11 PUBLIC PRIVATE PARTNERSHIPS

PUBLIC PRIVATE PARTNERSHIPS

Mogale City Local Municipalities does not have Public Private Partnerships.

T5.11.1

Chapter 5

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

SCM Policy and Procedures

Note: MFMA S110-119; SCM Regulations 2005; and relevant MFMA circulars set out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money and minimize the opportunities for fraud and corruption

The Supply Chain Management Policy was approved by the Mayoral Committee in terms of their delegated powers on 6 October 2005, Item 5.4.1 (09/2005), and came into effect on 1st of October 2005.

According to this approved policy and the National Treasury Regulations, this policy needs to be reviewed annually by the accounting officer and proposals for amendment must be submitted to Council. Since the initial adoption, the policy was amended on 29 October 2009, item K (ii) (10/2009), for the effective procurement of small/minor goods and services through petty cash.

The Preferential Procurement Regulations, 2011 became effective on 7 December 2011. The new Regulations were implemented by Mogale City as from 7 December 2011. None of the changes in this legislation however affected our existing Supply Chain Management Policy.

On 21 June 2012, item K (ii) 2 (06/2012), Council approved the adding of the new legislation to the list of applicable legislation under Definitions, and the term “emergency” as included under section 36 of the SCM Policy was defined under section 1 Definitions in the SCM Policy.

The Gauteng Provincial Treasury issued the Municipal Supply Chain Management Framework to all municipalities in Gauteng in the beginning of May 2015 in order to consolidate all circulars issued by Gauteng Provincial Treasury into one legislative prescript that will assist municipalities to implement SCM prescripts and ensure proper and continued SCM reforms.

All SCM circulars that were issued by Gauteng Provincial Treasury prior to this Framework will be repealed and replaced by the SCM Framework. Municipalities were therefore requested to review their SCM policies and ensure that the contents thereof are aligned to this Framework.

The following topics as per the Framework, were incorporated into the Mogale City SCM policy:

- inclusion of the Upliftment of Township-Based Local Suppliers;
- Inclusion of the development of cooperatives;
- Inclusion of the submission of procurement plans;
- Inclusion of the verification of state employees through the PERSAL system;
- Inclusion of validity period of quotations and bids;

Chapter 5

- Exceptions from normal procurement processes;
- Requirements for Section 32 appointments.

As part of the Adjustment Budget Process, the amended revised SCM policy was approved by Council in January 2016.

Database of Suppliers:

The SCM Unit was experiencing a problem with the fact that the BIQ financial system was not compliant with changes in PPPFA legislation and therefore it was not possible to capture service providers BEE information on the system. As the BIQ Vendor Database is run from a Visual Basic (VB) application is not accessible to the SCM Unit currently. The new LIMMS system as rolled out by RAMCO, will provide for a fully compliant SCM module that includes a vendor database.

Permission was requested from the Municipal Manager for the utilisation of the services of Comperio Forensic Services through a Section 32 appointment to perform supplier vetting and supplier database due diligence on the vendor and creditor database of Mogale City in lieu of the implementation of the new supply chain module as part of the implementation of the new financial system.

Transactional data analysis on supplier vetting services are being performed for all service providers registered on the vendor database as well as the creditor database, which include the following:

- Verification of companies, its directors and employees;
- Verification of business address, postal address and contact details supplied by the vendors;
- Verification of business registration numbers and tax numbers;
- Verification of the validity of VAT number for companies;
- Verification of business involvement and links and declaration thereof;
- Business background check;
- Verification and authenticity of BEE certificate of companies;
- Verification of the status of a company to ensure that the vendor is still a registered entity;
- Complete credit check on company (judgements, defaults, notices, etc)
- Identify possible incidents of fronting by the company and/or its directors;
- Establish whether any directors of the company are in the service of the state;
- Identify, clarify and verify any possible conflict of interest between companies, its directors and municipal employees;
- Requesting of new tax clearance certificates, BEE certificates and municipal accounts for all vendors on database;
- Requesting Creditors that are not registered on the vendor database to complete vendor application.

Desired outcome:

- Single integrated vendor database that complies with all relevant laws and regulations;
- Compliant database that can be imported to new IFMS system.

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Bid Specification Committee:

In accordance with the Policy, a system of Bid Committees has been established. Bid Specification Committee is established for each individual bid and approved by the Municipal Manager, and meet on an ad hoc basis to deal with the drafting of specification as and when required; with the assistance from the SCM Division.

The composition of the Bid Specification Committees is as follows:

- The Specialist: Demand and Acquisition Management is the chairperson of the Bid Specification Committee;
- Manager and other senior staff from the relevant department as approved by the Municipal Manager;
- At least one SCM practitioner and one legal representative;
- Any external experts as approved by the Municipal Manager

The following should be noted: As from the 4rd quarter of the 2015/16 financial year, the Municipal Manager decided on the inclusion of each effected departmental head to chair the Bid Specification Committee, therefore only if the Departmental Head(Executive Manager) is absent, Specialis

Bid Evaluation Committee:

The following are the permanent members of the Bid Evaluation Committee as appointed by the Municipal Manager:

Rethabiseng Mokebe	Executive Manager: Corporate Services (Chairperson)
Sandile Mbanjwa	Acting Executive Manager: Infrastructure (Technical)
Maria Makhoana	Legal Section (Legal advisor)
Renell Liebenberg	Manager: SCM(1 st to 3 rd quarter)
Maloto Phogole	Specialist: Demand and Acquisition Management(4rd quarter)

Various officials from the user department are also appointed as members for that specific tender by the Municipal Manager.

Note that during the 4rd quarter, Maloto Phogole and Renell Liebenberg were swapped and Maloto Phogole became a Bid Evaluation Committee member.

The Bid Evaluation Committee meets every second Monday and has met on the following dates in the

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2015/16 financial year to consider and evaluate on tender reports received:

July – Sept 2015	Oct – Dec 2015	Jan – March 2016	April – June 2016
15/07/2015	01/10/2015	27/01/2016	14/04/2016
13/08/2015	15/10/2015	29/01/2016	18/04/2016
20/08/2015	16/10/2015	09/02/2016	21/04/2016
10/09/2015	22/10/2015	11/02/2016	25/04/2016
	29/10/2015	18/02/2016	05/05/2016
	05/11/2015	03/03/2016	26/05/2016
	12/11/2015	04/03/2016	09/06/2016
	03/12/2015	08/03/2016	15/06/2016
	17/12/2015	17/03/2016	
	23/12/2015	24/03/2016	

Bid Adjudication Committee:

The Bid Adjudication Committee is a standing committee comprising of the following members:

Executive Manager	Designation
Leslie Mahuma	CFO (Chairperson)
Makhosana Nsezana	Executive Manager: Economic Services
Shirley Mathebula	Executive Manager: Social Services
Andre Botes	Manager: Roads and Surface Drainage (Technical Advisor)
Morakane Mokoena	Executive Manager: Integrated Environmental Management
Maloto Phogole	Specialist: Demand and Acquisition Management (SCM practitioner)(1 st to 3 rd quarter)
Arthur Khoza	Specialist: Contract Management

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Justin Baloyi	Manager: Legal Services
Renell Liebenberg	Manager: SCM (4rd quarter)

Note that during the 4rd quarter, Maloto Phogole and Renell Liebenberg were swapped and Renell Liebenberg became a Bid Adjudication Committee member.

Currently the committee has 8 members of which 4 is senior managers, and the quorum is 4 members. In order for this to remain a committee of senior managers, only one secondi member is allowed to constitute a quorum. Therefore there will always be at least 3 executive managers at the BAC meetings (50% + 1). The attendance by secondi members is only allowed in the event of sick leave, annual leave or in exceptional circumstances when the member has urgent matters to attend to.

The Bid Adjudication Committee meets every second Friday and has met on the following dates in the 2015/16 financial year to consider and adjudicate on recommendations received from the Bid Evaluation Committee:

July – Sept 2015	Oct – Dec 2015	Jan – March 2016	April – June 2016
03/07/2015	02/10/2015	29/01/2016	22/04/2016
13/07/2015	09/10/2015	12/02/2016	06/05/2016
14/07/2015	30/10/2015	26/02/2016	09/05/2016
21/08/2015	19/11/2015	11/03/2016	03/06/2016
11/09/2015	18/12/2015		15/06/2016

No councilors are serving on any of the bid committees and also may not attend any of the bid Committees as an observer.

Unsolicited bids

No unsolicited bids have been accepted by Mogale City Local Municipality during the year under review.

Contract and Contract Management

The drafting of SLA's resorts under the Legal Section in the Corporate Support Department, but the management of contracts resorts under the Specialist: Contract Management in the SCM Division. For all tenders awarded a contract is entered into. This contract can be any of the following:

- Form C1.1 in terms of the CIDB (construction related) tender document;
- Form MBD 7.1 for the supply and delivery of goods;
- Form MBD 7.2 for the rendering of services;

Chapter 5

- Formal SLA for any goods and services (other than construction related contracts) which is not of a once-off nature and for which the level of service needs to be prescribed and monitored.

Contracts are actively managed by the Specialist: Contract Management. Notices are sent to user departments to remind them of the expiry date of their contracts in order to ensure that new tender processes are embarked upon timeously. The escalation clauses in terms of the SLA's are monitored and implemented. Meetings are held with service providers that are not delivering in terms of the agreements and contracts are terminated when necessary.

Managing of Performance of Contractors

It is a requirement in terms of section 116 (2)(b) of the MFMA that the accounting officer must:

Monitor on a monthly basis the performance of the contractor under the contract or agreement;

During a recent compliance audit the Provincial Treasury assisted Mogale City by providing a template that must be completed by the relevant project manager from the user department; in which the performance of the contractor is monitored on a monthly basis. It was decided that the most effective way in which to obtain these compulsory supplier evaluation forms, was to make it mandatory for a supplier evaluation form to be attached to all payment requisitions and that no payment will be affected by the Creditors Section to that service provider if this form is not completed and attached.

Once invoices for suppliers/service providers/contractors are paid by the Creditor's Section, these supplier rating forms are forwarded to the Contract Management Section. In Annexure C the results of these ratings are attached. This is now analyzed by the Contract Management Section. All instances of "Not quite up to standard" as well as "Unacceptable" are followed up by means of meetings with the relevant user department, consultant involved (if applicable) as well as the service provider/contractor.

Competency levels of officials involved in Supply Chain Management

All the senior staff in the SCM Division has attended the prescribed CPMD training with regard to the minimum competency levels prescribed for SCM officials and have been declared competent. Both the Provincial and National Treasury regularly present training courses for SCM practitioners as well as for Bid Committee members. Mogale City always sends delegates to attend these training sessions.

T5.12.1

Chapter 5

5.13 GRAP COMPLIANCE

GRAP COMPLIANCE

GRAP is the acronym for **G**enerally **R**ecognized **A**ccounting **P**ractice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

The Accounting Standards Board (the Board) is required in terms of the Public Finance Management Act, Act No. 1 of 1999, as amended (PFMA), to determine generally recognized accounting practice referred to as Standards of Generally Recognized Accounting Practice (GRAP).

Financial statements should be described as complying with Standards of GRAP only if they comply with all the requirements of each applicable Standard of GRAP and any related Interpretations of the Standards of GRAP.

Mogale City prepares its financial statements in full compliance to all the following GRAP Standards which is a prerequisite for financial statement preparations for the 2015/16 financial year.

T5.13.1

Chapter 6

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

Note: The Constitution S188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA section 45 states that the results of performance measurement... must be audited annually by the Auditor-General.

The audit opinion was issued with matters of emphasis and legislative compliance issues as outlined in the report of the Auditor General of South Africa included in the annual report.

No material findings were raised on the usefulness and reliability of the reported performance information for the selected development priorities.

The reported information on selected development priorities was found to be useful and reliable in all material aspects because all misstatements were corrected on the 2015/16 Annual Performance report.

Audit Action plans were yet again developed based on the findings raised by AG, these were continuously monitored through the Operation Clean Audit Committee meetings, which take place twice a month. These meetings give the Municipality an opportunity to monitor the progress that has been made on addressing issues raised by the Auditor-General as well as preparation for the upcoming audit process. The Municipality has regressed from unqualified audit status (clean audit) to unqualified audit opinion. Due to current audit status as per AG report, the municipality is in the process of engaging with various stakeholders to ensure that compliance and regulations are adhered to in order to change the current status.

T6.0.1

Chapter 6

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2014/15

6.1 AUDITOR GENERAL REPORT 2014/15

Auditor-General Report on Financial Performance 2014/15	
Audit Report Status*:	Unqualified with matters of emphasis
Non-Compliance Issues	Remedial Action Taken
<p>Significant uncertainties</p> <p>With reference to note 48 to the financial statements, the municipality is the defendant in various court cases. The ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result has been made in the financial statements.</p>	<p>The municipality's contingency liability has reduced from the previous financial year. The legal services has done a due diligence in all litigious matters against the municipality wherein we identified the causes of contingency matters, with possible solutions. The due diligence will be conducted annually to identify areas of lack with the view of putting systems in place to ensure that contingency matters are further reduced.</p>
<p>Restatement of corresponding figures</p> <p>As disclosed in note 44 to the financial statements, the corresponding figures for 3ue 2014 have been restated as a result of errors discovered in the financial statements of the Mogale City Local Municipality during the year ended 30 June 2015.</p>	<p>Prior adjustments are allowed hence there is GRAP 03 which state how prior year adjustments must be disclosed in the financial statements. Reinstatement of corresponding figures when compared to June 2013 figures was reduced by 51%. However Management will analyze all accounts to determine the root cause of all errors on the financial statement and put control measures to eliminate recurrence.</p>

Material losses

As disclosed in note 39 to the financial statements, the municipality incurred material losses amounting to R78 069 967 (2013-14: R77 539 902) as a result of water distribution losses, which represents 42% (2013-14: 44%) of the total water purchased. the total technical losses of water amounted to R27 963 152 (2013-14: R26 361 109). non-technical losses amounted to R50 106 815 (2013-14: R51 178 793) and are mainly due to faulty prepaid meters, straight pipes in some areas and leakages.

The infrastructure department can attribute the 2% reduction on water losses to the successful implementation of water conservation demand management strategy which is a multi-pronged approach implemented as and when the budget is made available.

The strategy includes the installation of prepaid water meters, replacement of asbestos pipes and ageing infrastructure. The installation of the telemetry system to remotely monitor the water reservoirs and pump stations. The vigorous maintenance of the water infrastructure using the internal maintenance teams. The biggest challenge is the extent of the budget required both to replace the ageing infrastructure and to continue with planned maintenance.

The department will appoint additional competent staff in vacant positions to assist with day to day activities that are aimed at addressing the losses.

The department will continue to lobby various government institutions such as the Department of Water and Sanitation and COGTA for additional funding that can help accelerate the interventions to curb losses.

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Material impairments

As disclosed in note 3 to the financial statements, the allowance for impairment of receivables from non-exchange transactions amounted to r458 011 880 (2013-14: R343 430 252). The recoverability of these amounts is doubtful.

As disclosed in note 4 to the financial statements, the allowance for impairment of receivables from exchange transactions amounted to R416 875 219 (2013-14: R445 900 236). The recoverability of these amounts is doubtful.

The MCLM has appointed eleven debt collectors to assist with collection, cut offs and restriction of services is taking place to try to collect the debt within 60 days.

*Note: *The report status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse)*

T6.1.1

Auditor-General Report on Service Delivery Performance 2014/15

Audit Report Status*:	Unqualified with matters of emphasis
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Non-Compliance Issues

Remedial Action Taken

Non-compliance with respect to submissions to Treasury

To ensure that the SDBIP is submitted timeously (within 10 days)

Adjustments budget and supporting documentation

A schedule has been developed to ensure that the SDBIP and budget adjustment is tabled in council simultaneously.

Material adjustments to the annual performance report

Misstatements have been corrected on the annual performance report and necessary amendments will be made during the SDBIP/Budget adjustments

*Note: *The report status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse)*

T6.1.2

AUDITOR GENERAL AUDIT OPINION FOR THE PAST TEN YEARS

Mogale City Local Municipality has obtained an unqualified audit opinion meaning the municipality submitted financial statements that were free from material mis-statements, complied with legislation and no material findings were identified by AG on the usefulness and reliability of the reported performance information during 2014/15 Financial Year. The trends of audit opinion are as follows:

- ❖ 2006/07: Qualified
- ❖ 2007/08: Qualified
- ❖ 2008/09: Unqualified with 5 findings
- ❖ 2009/10: Qualified
- ❖ 2010/11: Qualified
- ❖ 2011/12: Unqualified with 3 findings
- ❖ 2012/13: Unqualified with 3 findings
- ❖ 2013/14: Unqualified with no findings (Clean Audit)
- ❖ 2014/15: Unqualified with no findings (Clean Audit)
- ❖ 2015/16: Unqualified with 1 finding

T6.1.2.1

Chapter 6

COMPONENT B: AUDITOR-GENERAL OPINION 2015/16

6.2 AUDITOR GENERAL REPORT 2015/16

AUDITOR-GENERAL REPORT ON FINANCIAL PERFORMANCE 2015/16	
Audit Report Status:	Unqualified with matters of emphasis
<p>Significant uncertainties</p> <p>With reference to note 48 to the financial statements, the municipality is the defendant in a number of legal cases. The ultimate outcome of these matters cannot presently be determined, and no provision for any liability that may result has been made in the financial statements. If the outcome of these matters change and a liability is raised, these matters can have a material impact on the financial sustainability of the municipality.</p>	<p>The Municipality has conducted due diligence on both Labour and Civil Cases with the aim of reducing the Contingency liabilities. The Labour Contingency was reduced significantly after the due diligence was completed and measures implanted as per the recommendations thereof.</p> <p>Currently, due diligence is being conducted on Civil matters and will report on same once finalized.</p>
<p>Restatement of corresponding figures</p> <p>As disclosed in note 44 to the financial statements, the corresponding figures for 30 June 2016 have been restated as a result of errors discovered in the financial statements of Mogale City Local Municipality at, and for the year ended 30 June 2016.</p>	<p>Prior adjustments are allowed hence there is GRAP 03 which state how prior year adjustments must be disclosed in the financial statements.</p>
<p>Material losses</p> <p>As disclosed in note 41 to the financial statements, the municipality incurred material losses amounting to R89 381 666.21 (2014-15: R78 069 966.66) as a</p>	<ul style="list-style-type: none"> Replacement of pipelines- replacement of the ageing infrastructure will increase the asset value of the

Chapter 6

result of water distribution losses, which represents 34.80% (2014-15: 27%) of the total water purchased. The losses are mainly due to deterioration of water reticulation system, burst pipes and unauthorised consumption.

Material impairments

As disclosed in note 3 and 4 to the financial statements, material impairment amounting to R467 849 424 (2014-15: R422 623 8790) and R537 966 434 (2014-15: R458 419 390) were incurred as a result of irrecoverable consumer debtors.

Procurement and contract management

Goods and services with a transaction value of more than R200 000 were not procured through a competitive bidding process, as required by Supply Chain Management (SCM) Regulation 19(a).

Certain deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1).

Municipality and will increase potential revenue generated since a huge portion of water is lost through the system at the present moment

- Installation of smart meters in industries and private developments- be well monitored in order to ensure that there is proper accounting for water and accurate billing as a result.
- Installation of prepaid water meters- eliminate straight connections were done and these contributed to water losses.
- Pressure Management Programme- Water lost due to high pressure contributes to NRW and this is difficult to quantify and must be monitored on a continuous basis.
- Leak detection and repair programme- the Water and Sanitation Division will conduct regular leak detection routines. Will expose and repair the leaks
- Resealing Reservoirs
- Install water pipelines in rural areas

The municipality continues to conduct cut off and restriction of services is taking place to try to collect the debt within 60 days. The debt aging 90 days and above gets handed over to debt collectors.

Ensure that supply chain management team gives advice, monitor and enforce the compliance in accordance with legislations that govern supply chain management procedures and processes.

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Contracts were awarded to bidders based on points given for criteria that differed from those stipulated in the original invitation for bidding and quotations, in contravention of SCM regulations 21(b) and 28(1)(a) and the Preferential Procurement Regulations.

Contracts were awarded to providers whose tax matters had not been declared by the South African Revenue Service to be in order, as required by SCM regulation 43.

Contracts and quotations were awarded to bidders based on preference points that were not allocated and calculated in accordance with the requirements of the Preferential Procurement Policy Framework Act, 2000 (Act no. 5 of 2000)(PPPF), and its regulations.

Contracts and quotations were awarded to bidders that did not score the highest points in the evaluation process, as required by section 2(1)(f) of Preferential Procurement Policy Framework Act.

T6.2.1

AUDITOR-GENERAL REPORT ON SERVICE DELIVERY PERFORMANCE 2015/16

** This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Service Delivery Performance Year 0 ** Inclusion of "Status" depends on nature of AG's remarks on Performance Data*

T6.2.2



AUDITOR-GENERAL
SOUTH AFRICA

Mr. Abe Mbulawa
The Acting Accounting Officer
PO Box 94
Krugersdorp
1740

30 November 2016

Reference: 02244REG15/16

Dear Mr. Mbulawa

Report of the Auditor-General on the financial statements and other legal and regulatory requirements of Mogale City Local Municipality for the year ended 30 June 2016

1. The above-mentioned report of the Auditor-General is submitted herewith in terms of section 21(1) of the Public Audit Act of South Africa read in conjunction with section 188 of the Constitution of the Republic of South Africa section 121(3) of the Municipal Finance Management Act of South Africa (MFMA).
2. We have not yet received the other information that will be included in the annual report with the audited financial statements and have thus not been able to establish whether there are any inconsistencies between this information and the audited financial statements and the reported performance against pre-determined objectives. You are requested to supply this information as soon as possible. Once this information is received it will be read and should any inconsistencies be identified these will be communicated to you and you will be requested to make the necessary corrections. Should the corrections not be made we will amend and reissue the audit report.
3. In terms of section 121(3) of the MFMA you are required to include the audit report in the municipality's annual report to be tabled.
4. Until the annual report is tabled as required by section 127(2) of the MFMA the audit report is not a public document and should therefore be treated as confidential.
5. Prior to printing or copying the annual report which will include the audit report you are required to do the following:
 - Submit the final printer's proof of the annual report to the relevant senior manager of the Auditor-General of South Africa for verification of the audit-related references in the audit report and for confirmation that the financial statements and other information are those documents that have been read and audited. Special care should be taken with the page references in your report, since an incorrect reference could have audit implications.
 - The signature Auditor-General in the handwriting of the auditor authorised to sign the audit report at the end of the hard copy of the audit report should be scanned in when preparing to print the report. This signature, as well as the place and date of signing and the Auditor-General of South Africa's logo, should appear at the end of the report, as in the hard copy that is provided to you. The official logo will be made available to you in electronic format.
6. Please notify the undersigned Senior Manager well in advance of the date on which the annual report containing this audit report will be tabled.
7. Your cooperation to ensure that all these requirements are met would be much appreciated.

Auditing to build public confidence

Auditor-General of South Africa
www.agsa.co.za

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Kindly acknowledge receipt of this letter.

Yours sincerely

Vaughn Noble
Senior manager: Gauteng Business Unit

Enquiries: Vaughn Noble (SM)
Telephone: (011) 703 7600
Fax: (011) 703 7690
Email: vaughnn@gagisa.co.za

Report of the auditor-general to the Gauteng Provincial Legislature and the council on the Mogale City Local Municipality

Report on the financial statements

Introduction

1. I have audited the financial statements of the Mogale City Local Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2016, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2015 (Act No. 1 of 2015) (DoRA) and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the municipality's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of Mogale City Local Municipality as at 30 June 2016, and its financial performance and cash flows for the year then ended, in accordance with SA standards of GRAP and the requirements of the MFMA and DORA.

Emphasis of matters

7. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Significant uncertainties

8. As disclosed in note 49 to the financial statements, the municipality is the defendant in a number of legal cases. The ultimate outcome of these matters cannot presently be determined, and no provision for any liability that may result has been made in the financial statements. If the outcome of these matters change and a liability is raised, these matters can have a material impact on the financial sustainability of the municipality.

Restatement of corresponding figures

9. As disclosed in note 45 to the financial statements, the corresponding figures for 30 June 2015 have been restated as a result of errors discovered in the financial statements of Mogale City Local Municipality during the year ended 30 June 2016.

Material losses

10. As disclosed in note 41 to the financial statements, the municipality incurred material losses amounting to R89 381 666 (2014-15: R78 069 966) as a result of water distribution losses, which represents 34.8% (2014-15: 27%) of the total water purchased. The total technical losses of water amounted to R13 407 250 (2014-15: R27 963 152). Non-technical losses amounted to R75 974 416 (2014-15: R50 106 814) and are mainly due to deterioration of water reticulation system, burst pipes and unauthorised consumption.

Material impairments

11. As disclosed in notes 3 and 4 to the financial statements, material impairment amounting to R467 849 424 (2014-15: R422 623 8790) and R537 966 434 (2014-15: R458 419 390) were incurred as a result of irrecoverable consumer debtors.

Additional matter

12. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited disclosure notes

13. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA. This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion thereon.

Report on other legal and regulatory requirements

14. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected development priorities presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

15. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected development priorities presented in the annual performance report of the municipality for the year ended 30 June 2016:
- To provide sustainable services to the community (Infrastructure Services) pp. xx - xx
16. I evaluated the usefulness of the reported performance information to determine whether it is consistent with the planned objectives. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information (FMPPi)*.
17. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
18. I did not identify any material findings on the usefulness and reliability of the reported performance information for the selected development priorities.

Additional matter

19. Although I identified no material findings on the usefulness and reliability of the reported performance information for the selected development priority, I draw attention to the following matter:

Achievement of planned targets

20. Refer to the annual performance report on pages x to x for information on the achievement of the planned targets for the year.

Compliance with legislation

21. I performed procedures to obtain evidence that the municipality has complied with applicable legislation regarding financial matters, financial management and other related matters. My material findings on compliance with specific matters in key applicable laws and regulations as set out in the general notice issued in terms of the PAA, are as follows:

Expenditure management

22. The accounting officer did not take reasonable steps to prevent irregular and fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA.

Procurement and contract management

23. Goods and services with a transaction value above R200 000 were procured without inviting competitive bids, as required by Supply Chain Management (SCM) Regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 35(1).
24. Contracts were awarded to bidders based on points given for criteria that differed from those stipulated in the original invitation for bidding and quotations, in contravention of SCM regulations 21(b) and 28(1)(a) and the Preferential Procurement Regulations.
25. Contracts were awarded to providers whose tax matters had not been declared by the South African Revenue Service to be in order, as required by SCM regulation 43.
26. Contracts and quotations were awarded to bidders based on preference points that were not allocated and calculated in accordance with the requirements of the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000)(PPPF) and its regulations.
27. Contracts and quotations were awarded to bidders that did not score the highest points in the evaluation process, as required by section 2(1)(f) of the PPPF.

Internal control

28. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.

Leadership

29. The accounting officer did not exercise adequate oversight responsibility regarding compliance with applicable laws and regulations.

Financial and performance management

30. Senior management did not adequately monitor controls in place to ensure that compliance with laws and regulations are adhered to.

Other reports

31. I draw attention to the following engagements that could potentially impact on the municipality's financial, performance and compliance related matters. My opinion is not modified in respect of these engagements that have been completed.

Investigations

32. Two investigations were conducted by an independent firm on request by the accounting officer. The investigation was initiated based on allegations of possible irregularities at the municipality. The investigations were concluded during the financial year and irregularities were reported on and followed up.

Chapter 6

Auditor-General
Johannesburg
30 November 2016



T6.2.3

COMMENTS ON AUDITOR-GENERAL'S OPINION 2015/16:

The report of the Auditor General of South Africa is noted and welcomed. The municipality would earnestly consider the recommendations of the AG. Relevant action plans will be developed to ensure that the findings as raised in this financial year are addressed and will not be raised in the following financial year. This will also ensure that in terms of the performance, the municipality does improve.

T6.2.4

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES:

As per the requirements of MFMA section 71, Mogale City has submitted all In Year Financial Monitoring Reports to both National and Provincial Treasury.

Signed (Chief financial Officer).....
T6.2.5

Dated 30/11/2016.